

## YOUNGSRPS LIMITED CLIENT MONEY HANDLING PROCEDURE

### INTRODUCTION

This Client Money Handling policy sets out the procedures and controls that youngsRPS Limited follows to ensure compliance with:-

1. The RICS Client Money Handling Professional Standards (1<sup>st</sup> Edition, re-issued 2022)
2. The RICS Rules of Conduct for Firms (effective 2 February 2022)
3. The RICS Client Money Protection Scheme Rules
4. Relevant statutory requirements including the Client Money Protection Schemes for Property Agents Regulations 2018

The purpose of this policy is to ensure that all client money is protected, identifiable, and handled with transparency and integrity.

As a scheme member, we:-

1. Maintain one or more client money accounts into which all client money is paid.
2. Ensure that client money accounts are designated as such and easily distinguished from other accounts.
3. Advise clients that client money is held in a client money account and provide them with details of that account.

### DEFINITION OF CLIENT MONEY

Client money includes any money of any currency (cash, cheque, draft, electronic transfer) that we hold or receive on behalf of our clients as part of the delivery of our services, and is not immediately due and payable on demand to the RICS-regulated firm for its own account, excluding fees paid in advance for professional work agreed to be performed, and clearly identifiable as such, unless fees are for work undertaken as a property agent as defined in the Rules of the RICS Client Money Protection Scheme for Property Agents.

### HOLDING CLIENT MONEY

All client money held or received by youngsRPS Limited is banked into either:-

1. A general client bank account
2. A designated discrete client bank account
3. A client controlled bank account

In respect of the above, the following applies:-

- a) A general client bank account is a client bank account which holds pooled client money for multiple clients.

- b) A designated discrete bank account is a bank account set up to hold client money for a single client. The name of the client will be incorporated into the account name.
- c) A client may request that tenants pay monies directly to a bank account controlled by themselves and youngsRPS Limited will have no control over these accounts. These accounts are not covered by the RICS client money protection scheme.

In respect of points a) and b) above, all client money is held in a client money account with a banking institution authorised by the Prudential Regulatory Authority (PRA) and the Financial Conduct Authority (FCA).

#### BANK ACKNOWLEDGEMENT AND ACCOUNT TITLE

- 1. youngsRPS Limited confirm the bank operating conditions in writing with the bank with which we hold client money accounts, including acknowledgement that monies in the client money account must not be combined with, or transferred to, any other account maintained by youngsRPS Limited, and the bank shall not be entitled to exercise any right of set off or counterclaim against money in that client money account in respect of any sum owed to it in respect of and youngsRPS Limited other accounts.
- 2. All discrete bank accounts are correctly titled to include the name of the scheme member and the word “client” to distinguish the account from an office or any other account.
- 3. Client money is available on demand.

#### INFORMATION TO CLIENTS

- 1. We advise clients in writing of the bank account details (account name and name and address of bank).
- 2. Provide clients with a copy of youngsRPS Limited written procedures for handling client money, which includes arrangements for interest, and any retention of interest, and charges.
- 3. Provide a copy of our procedures for handling client money to any person who may reasonably require a copy, free of charge.
- 4. Provide statements and reporting as agreed in the engagement terms.

#### RECEIPT OF CLIENT MONEY

youngsRPS Limited ensures that:-

- 1. All monies received are logged promptly.
- 2. All client money is received and paid into a client money account promptly.
- 3. Procedures exist to identify and distinguish between clients and youngsRPS Limited money.
- 4. Only appropriate staff, independent of accounting staff, open incoming post.
- 5. Cash and cheques are kept safe until they are banked.

## PAYMENTS FROM A CLIENT ACCOUNT

youngsRPS Limited ensures that:-

1. Client money is only used for that client's matters.
2. Client money is returned to the client promptly, 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 promptly.
3. 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 PMA (property management agreement).
4. Sufficient funds are held on behalf of the relevant client before payments are made.
5. All payment requests have supporting evidence, and documentation has been authorised in advance by an appropriate person.
6. Authorisation and supervision procedures are in place for payments made by cheque, bank transfer, and electronic methods.
7. All staff involved comply with segregation of duties to prevent unauthorised activity.

## AUTHORISATION AND ACCESS CONTROLS

1. Access is limited to approved signatories at director/senior member of staff level.
2. Dual authorisation is required for external payments.
3. Changes to bank mandates require director/senior member of staff level approval.

## INTEREST AND BANK CHARGES

1. Interest on general client accounts is retained by youngsRPS Limited if agreed with clients or used to offset account charges in line with specific client agreements, such as the Property Management Agreement (PMA).
2. Discrete accounts are credited with interest at the agreed rate and interval.

## RECONCILIATIONS

1. All general client and discrete bank accounts are reconciled on at least a monthly basis. This is a three way reconciliation between the cash book, bank statements, and general ledger. An independent review is then undertaken by a director/senior member of staff for each reconciliation.
2. Reconciling items identified are investigated with the relevant teams to identify actions required to resolve them, where necessary.

## ACCOUNTING RECORDS AND CONTROLS

youngsRPS Limited ensures that:-

1. Records and accounts are kept that show all dealings with client money and demonstrates that all client money is held in a client money account.
2. Have appropriated 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.
3. Complete regular client bank account reconciliations and demonstrate these are reviewed by a director/senior member of staff of youngsRPS Limited.
4. Publish written procedures for handling client money on youngsRPS Limited website.
5. Ensure that overdrawn balances are prevented by the systems or controls in place and where they do occur are investigated and rectified immediately.
6. Control and protect accounting systems and client data and adequately protect computer systems for access, firewalls, back-ups, and disaster recovery.
7. Systems provide details of all money received into, and paid from, all client accounts and show a running balance of all client money held in that account.
8. Accounting records and systems are appropriate to the nature and volume of client account transactions.
9. Accounting records are completed chronologically and promptly.
10. A central list of client bank accounts is maintained.
11. All records are retained in accordance with legal and RICS requirements.

## UNIDENTIFIED OR UNCLAIMED MONEY

In the event that youngsRPS Limited receive unidentified client money, we follow best practice and enact the following procedures:-

1. Ensure that all efforts are made to trace the clients or owners of the money.
2. Hold unidentified client money for at least three years from date of receipt.
3. If, after three years from date of receipt, the client or owner of the money has not been found and no true claimants to the money have come forward, in accordance with RICS guidance, it will be donated to a registered charity. A receipt will be obtained for this transaction so should a true claimant come forward to collect the money it can be made available to them. We will request that the receiving charity should offer an indemnity to enable youngsRPS Limited to recover the donation in the event of a claim.

## COMPLIANCE

youngsRPS Limited will ensure:-

1. Compliance with anti-money laundering legislation, rules, and regulations for all receipts of client money.
2. Compliance with the mandatory requirements for the latest edition of the RICS professional statement countering bribery and corruption, money laundering, and terrorist financing.
3. Employees follow all procedures handling client money in place at the time.
4. It does not override any controls in place to protect client money.
5. Appropriate disclosures are made to a director or 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.

## GENERAL CONTROLS

youngsRPS Limited ensure that:-

1. Employees have clear segregation of duties and responsibilities and that an appropriately competent individual oversees the client accounting function.
2. It employs competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with the RICS rules.
3. Accounting systems and client data are securely controlled and protected.
4. There is adequate cover for holiday and long term absence.
5. Principals cannot and do not override controls surrounding the accounting system.