Client Money Handling Procedure

MetroPM client money handling procedure

The key aim is to ensure that client money is held in accordance with Rule 8 of the RICS Rules of conduct as follows:

Clients' money

A Firm shall preserve the security of clients' money entrusted to its care in the course of its practice or business

As a member of the RICS Client Money Protection Scheme MetroPM adhere to the RICS Rules of Conduct for firms and the RICS Client Money Protection Scheme, and any other regulations with regards to the handling of client money as follows:

1. All client money is held in a client money bank account with a bank, which is authorised by the Bank of England and the Financial Authority Conduct.
2. As a Scheme Member:
    - We hold clients' money in one or more client bank accounts into which all clients' money is paid.
    - The bank account is titled to include the name of the firm and word 'client' and discrete client money accounts include an identifier (e.g. the client or property name) in the title of the account.
    - We do not hold office money in a client account unless it is a receipt of mixed monies where the office money is awaiting transfer.
    - We advise clients that client money will be held in a client account and notify clients of the details of that account.
    - Bank Operating Conditions - We confirm in writing with the bank which holds a client money bank account that the bank acknowledges that monies in the client money bank account.
    - We keep records and account using our accounting and property management software package MRI Qube, which show all dealings with client money, and demonstrate that all client money held by the firm is held in a client account.
    - We complete a monthly client bank account reconciliation of the main client account which is reviewed by a principal of the firm.

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Accounting records and controls

- Client bank accounts are reconciled monthly, within four weeks of the end of the month.
- Each reconciliation is reviewed and signed off by the Finance Manager and Director of the firm.
- Unreconciled amounts by age and value are reported to and discussed by the Operating Board at each Board Meeting.
- Client funds are only used for the client to which they relate. Transfers between client accounts are not permitted unless tenants have made payment to the wrong bank account (e.g. service charge funds paid in to a rent account).
- All payments from client bank accounts are approved by two senior managers. MetroPM employees including at least one Director after reviewing the relevant supporting documentation including proof of recipient bank details.
- Segregation of duties exists between employees that are able to initiate payments from client accounts and those that are able to authorise payments.
- All payments from Client Accounts are made electronically.
- Reports and Accounting Records would be produced to clients at appropriate time frame that is separately agreed with clients.

Compliance

- Any breach of the RICS Client Money Handling rules is investigated and remedied promptly on discovery.
- MetroPM holds professional indemnity insurance appropriate to the income, type of work and amount of Client Money held.

Controls over the receipt of client money

MetroPM ensures that:

- All client money received is paid into a client money account promptly.
- When mixed money is received the receipt is paid into the client money account and the office money is transferred into the office account promptly.
- Interest or other benefits accruing from client money to the client are accounted for, unless otherwise agreed with the client in writing.

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- Bank charges incurred are paid out of the client account and recorded within the accounting records. These are identified within the year end accounts when published.
- Prompt action is taken to identify the owner of any unidentified client money received. If the rightful owner cannot be traced and all avenues of investigation have been exhausted, MetroPM's policy is that the monies are paid from a client money account to a registered charity within three years of receipt and a receipt obtained.

Controls over the payment of client money

MetroPM ensures that:

- Each client's money is used only for that client's matters.
- That sufficient funds are held for the relevant client before making any payments on their behalf.
- All payments from client money accounts are made to or on behalf of a client as agreed in the management agreement or on the client's written instructions.
- Fees are taken as agreed in the management agreement.
- 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 are paid to the client immediately.
- Adequate authorisation and supervision procedures are in place for payments made by bank transfer and cheque.
- All payments made have supporting evidence and that documentation has been authorized in advance by a Director or other appropriate person.
- Effective controls are in place for setting up new supplier accounts on the system.

General Controls

MetroPM ensures that:

- Employees have clear segregation of duties and responsibilities and that a Director or an appropriate individual oversees the client accounting function.
- It employs competent staff who are responsible for processing clients' money and who are familiar with all RICS rules.
- Accounting systems and client data are securely controlled and protected.
- Computer systems are adequately protected for access, firewalls, back-ups and disaster recovery.

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- There is adequate cover for holiday and long-term absence.
- Directors cannot and do not override controls surrounding the accounting system.
- Ensure that overdrawn balances are prevented by the firm's systems and controls and if these do occur investigate and rectify them immediately.

MetroPM

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