

The whole of this document is to be taken as Beddow Partnership Ltd (BPL) written procedures for Handling Client Money in accordance with the RICS Rules of Conduct. The written procedures have been prepared to ensure compliance with:

- RICS Rules of Conduct (Oct 2021)
- RICS Client Money Protection Scheme.
- The Client Money Protection Scheme for Property Agents (Approval and Designation of Schemes) Regulations 2018.
- Any other regulations and statutory requirements as necessary and to maintain best practice.

Creating a comprehensive client money handling procedure for a firm of chartered surveyors regulated by the Royal Institution of Chartered Surveyors (RICS) is essential to comply with RICS standards and provide transparency and accountability in managing client funds. Below is an extensive procedure outline that follows best practices in alignment with RICS guidelines and regulations.

1. Objective

To ensure all client monies are managed, recorded, and safeguarded in compliance with RICS regulations, protecting clients' funds from misuse, loss, or fraud.

RICS Rules of Conduct (Oct 2021) outlines:

1.10 Firms keep client money safe and have appropriate accounting controls.

1.11 Members do not misuse client money and comply with controls intended to keep it safe.

1.12 Members and firms do not facilitate any financial crime including money laundering, tax evasion, bribery or corruption. Firms have effective processes to prevent directors, partners or employees from doing so.

2. Definitions

Client Money: Money held by the firm on behalf of clients, including rents, service charges, deposits, and other funds related to property management, transactions, or consulting.

Designated Client Account: A bank account set up solely to hold client money, clearly segregated from the firm's own funds.

RICS Regulations: Standards set by the RICS for handling and protecting client money.

3. Responsibilities

Directors/Partners: Ensure compliance with RICS standards and monitor client money processes.

Compliance Officer: Conduct regular audits, oversee bank reconciliations, and ensure adherence to procedures.

Accounting Team: Record, process, and reconcile all client money transactions.

Staff Members: Follow procedures for receipt, payment, and transfer of client money.

4. Client Bank Accounts

Client money is held in a Designated Client Account with an approved bank or building society authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (the FCA) in England, Scotland, Wales and Northern Ireland. Each account is labelled clearly as a “Client Account” to distinguish it from business accounts. Interest on client money shall be allocated to clients where stipulated by contract.

5. Client Money Receipts

All client money received is banked promptly, ideally within three business days of receipt. Any cheque or cash received is immediately recorded and issued a receipt. The firm has a receipt register maintained by designated staff to log all incoming payments, detailing:

- Date of receipt
- Amount received
- Payer details
- Purpose of funds
- Relevant project or client code

6. Payments from Client Accounts

Payments made from client accounts are only made to settle expenses or fees directly related to client instructions. Payments are authorized by a minimum of two authorized signatories. Each payment is supported by valid documentation (e.g., invoices, payment requests) and client authorization where applicable. Records of payments include:

- Date
- Amount
- Payee
- Purpose of payment
- Client code/reference

7. Client Account Reconciliation

Reconciliation of client bank accounts occur at least once a month. Reconciliations are reviewed and approved by the Compliance Officer or a designated senior member. Any discrepancies are investigated immediately, and corrections made promptly. Documentation of reconciliations are stored and are accessible for audit purposes.

8. Interest Policy

The firm's interest policy is clearly communicated to clients upon onboarding. Interest earned on client money will be allocated according to the terms of engagement. In the absence of specific terms, interest may remain with the firm.

9. Client Money Protection Insurance

The firm maintains adequate Client Money Protection Insurance in compliance with RICS standards. A copy of the insurance policy is readily available and provided to clients upon request.

10. Audit and Compliance Checks

Annual Audit: Client money procedures and records are externally audited annually, conducted by an independent RICS-compliant auditor.

Internal Compliance Reviews: Internal compliance reviews are conducted quarterly to ensure adherence to RICS standards and identify areas for improvement. Audit and compliance findings are documented, with any corrective actions implemented promptly.

11. Record Keeping

Transaction Records: All client money transactions are recorded in an electronic accounting system accessible to authorized personnel.

Documentation: All supporting documents related to client money transactions are retained for at least six years. Confidentiality: All client money records is securely stored and treated as confidential.

12. Training and Awareness

All staff members handling client money have undergone regular training on RICS client money handling procedures.

Annual refresher training is recommended to keep staff updated on any regulatory changes or procedural updates.

13. Client Communication

Clients are informed about the firm's client money handling procedures and their rights concerning interest, access to transaction records, and reconciliation.

Statements of Account: Clients receive statements of account for any funds held on their behalf, typically issued quarterly or upon request.

14. Breach Reporting and Escalation

Any suspected breach of client money regulations are to be reported immediately to the Compliance Officer. If a breach is confirmed, it must be recorded, reported to RICS, and clients notified as appropriate. The Compliance Officer will oversee the corrective actions and ensure compliance going forward.

15. Complaints Procedure

Clients should be informed of the firm's complaints procedure and their right to escalate complaints to RICS if they are not satisfied. All complaints related to client money handling should be logged, investigated promptly, and resolved to the client's satisfaction.

16. Client Money Protection Scheme

As an RICS Regulated Firm, BPL is covered by the RICS Client Money Protection Scheme. The main purposes of the scheme are:

- to allow RICS Registered Firms to offer client money protection in accordance with the Rules; and
- to compensate Clients of an RICS Registered Firm for the losses of its Clients resulting from of the RICS Registered Firm failing to account for Client Money (as defined in paragraph 1.1) to the person entitled to it in accordance with the Rules.

In the event that a Member fails to account for Client Money to a person entitled to it whilst remaining an RICS Registered Firm (each Member having a primary duty to make full restitution as set out in Rule 2.3), the Scheme Administrator shall, out of the Scheme Funds, make good the Member's liability to that person or persons as soon as reasonably practicable. No amount payable shall be subject to a deduction of a fee by the Scheme Administrator and no Client claimant shall be made to bear all, or any part of any, excess amount which may be applicable to the insurance cover obtained.

16. Annual Review of Procedures

This client money handling procedure will be reviewed annually by senior management to ensure compliance with RICS regulations and identify any necessary updates. Any amendments to this procedure will be communicated to all relevant personnel and clients if necessary.



By implementing this client money handling procedure, the firm ensures compliance with RICS standards, reduces the risk of financial mismanagement, and builds trust with clients by demonstrating robust, transparent financial practices.