

LACEYS' CLIENT MONEY HANDLING PROCEDURES

In compliance with the RICS professional statement *Client money handling* (as may be amended from time-to-time), this document represents Laceys Yeovil Limited's Client Money Handling Procedures.

It is hoped that having these procedures in the public domain will inspire confidence in Laceys Yeovil Limited's ability to manage client monies appropriately, transparently and safely.

The overall objective of these procedures is to ensure:

- client money is kept safe;
- client money accounts are used for appropriate purposes only; and
- Laceys Yeovil Limited has the appropriate controls and procedures to safeguard client money.

1.0 Executive Summary

- 1.1 Laceys Yeovil Limited operates a general Client Account for all monies not belonging to the Agent, *Laceys Yeovil Limited Client Account*, with the account being held at the National Westminster Bank Plc, 2 Hendford, Yeovil, Somerset, BA20 1TE (and all client monies are protected under *The RICS Clients' Money Protection Scheme*, subject to terms and conditions which are available on request from the Agent)
- 1.2 Laceys Yeovil Limited's Client Account is under the exclusive control of the firm, and no subsidiary or contracted third party transaction service provider has any control over the account
- 1.3 The Director of Laceys Yeovil Limited is the sole signatory of the Client Account, with restricted online access available to three senior members of staff
- 1.4 Cash and cheque receipts when received by staff members will be verified, securely put in the safe, carbon-copy receipted, and notification sent to the Director immediately; such receipts will be paid into the Client Account by senior members of staff or the Director promptly, and certainly within five working days of receipt
- 1.5 Payments from the Client Account can be authorised by the Director of the firm, or otherwise subject to dual authorisation requirements and daily oversight by the Director or one other senior member of staff

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LACEYS YEOVIL LIMITED
12 - 14 Hendford, Yeovil, Somerset, BA20 1TE
Tel-01935 425115
laceysyeovil.co.uk

Registered in England 4739318
VAT Registration No. 355 4969 13

Director: David J MacLauchlan BSc (Hons) MRICS



- 1.6 Contractor invoices are verified by accounting staff as being genuine and payable prior to being settled out of client funds, with each invoice signed and dated to confirm that such checks have been completed
- 1.7 New supplier requests are subject to dual authorisation at the Bank, and subject to over-sight by the Director or one other senior member of staff
- 1.8 Laceys Yeovil Limited's Client Account is a non-interest bearing account, so no interest will be payable to clients
- 1.9 The Client Account will be reconciled in accordance with the Reconciliation procedures outlined below
- 1.10 Clients will automatically receive Statements of Account per property usually on a monthly basis to coincide with rental payments received (unless express instructions from the client are received to the contrary, or the property is vacant); Annual Statements are available on request

2.0 Receipts of client money

In relation to receipts of client money, Laceys Yeovil Limited will:

- 2.1 ensure all client money received is paid into a client money account promptly, and certainly within five working days
- 2.2 ensure that when mixed monies are received the receipt is paid into a client money account and the office money is transferred into the office account promptly
- 2.3 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
- 2.4 take prompt action to attempt to identify the owner of any unidentified client money received (no later than one month from receipt), 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
- 2.5 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.

3.0 Payments from client account

In relation to payments from the client account, Laceys Yeovil Limited will:

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- 3.1 use each client's money only for that client's matters
- 3.2 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
- 3.3 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
- 3.4 have the Landlord's authorisation to incur costs of up to £250 on repairs and maintenance without requiring the Landlord's consent unless the situation comprises an emergency or it is impractical to wait for the Landlord's consent, and/or all other reasonable methods of contacting the Landlord have failed and the works are reasonably required for the benefit of the Property in which case the limit of £250 shall not apply
- 3.5 when fees are due and payable, send statements to the client via email detailing the costs up to two working days before the deduction is made (unless the client has otherwise expressly authorised no such statements to be sent, or requested them by post); by virtue of the Landlord's Terms and Conditions of Engagement and more specifically the Residential Lettings Fee Schedule which forms part of the Terms, any commissions and fees will be deducted from property income without individual authorisation being sought each time
- 3.6 check that sufficient funds are held for the relevant client before making any payments on their behalf
- 3.7 obtain written permission from clients for any direct debits and standing orders on general and discrete client bank accounts
- 3.8 obtain written agreement from the client before bank costs are recharged to client bank accounts.

4.0 Accounting records and controls

In relation to accounting records and controls, Laceys Yeovil Limited will:

- 4.1 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, and retain these records for at least six years
- 4.2 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

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- 4.3 complete regular client bank account reconciliations (at least once per calendar month and no later than six weeks after the date of the previous reconciliation) and demonstrate that these are reviewed by a principal or senior staff member of Laceys Yeovil Limited
- 4.4 ensure reconciliations do not include regularly occurring adjustments or reconciling items more than three months old, except for unpresented cheques that will be no more than six months old (cheques older than six months that have not been banked will be cancelled, written back and reissued)
- 4.5 publish these written procedures for handling client money on Laceys Yeovil Limited's website, and provide a copy of these to RICS or to any person who may reasonably require a copy free of charge
- 4.6 ensure that overdrawn balances are prevented by Laceys Yeovil Limited's systems and controls, and if these do occur investigate and rectify them immediately
- 4.7 control and protect accounting systems and client data and adequately protect computer systems for access, firewalls, back-ups and disaster recovery
- 4.8 ensure that all staff who handle client money are trained in the requirements of the RICS Professional Statement *Client money handling*, and these procedures
- 4.9 ensure that our *Whistleblowing* procedures, as set out in Laceys' Employee Handbook, are emphasized in the context of client money handling, and employees are made aware of the various external bodies that matters of concern can be reported to, not least the RICS in connection with client money handling.

5.0 Compliance

In relation to compliance, Laceys Yeovil Limited will:

- 5.1 ensure compliance with all anti-money laundering legislation, rules and regulations for all receipts of client money Client money handling
- 5.2 ensure compliance with the mandatory requirements of the latest edition of the RICS professional statement *Countering bribery and corruption, money laundering and terrorist financing*
- 5.3 obtain any certification required under legislation currently in force and follow any requirements in the legislation for display or publication
- 5.4 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

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- 5.5 record any breach of the mandatory requirements of the RICS professional statement *Client money handling* in writing in sufficient detail including any consideration of whether to inform RICS and any client affected by the breach
- 5.6 inform RICS, the client and the insurers of Lacey's Yeovil Limited immediately if client money is misappropriated by any person.

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