

Henry H Bletsoe and Son LLP – Client Money Handling Procedure

1. Introduction

1.1. The purpose of this document is to set out Henry H Bletsoe and Son LLP's Client Money Handling Procedure. Henry H Bletsoe and Son LLP's internal controls and procedures, set out below, have been designed and implemented to follow best practice and RICS Regulations. This document should be read in conjunction with the RICS Professional Standards and Guidance UK, Client Money Handling UK 1st Edition, October 2019 (effective from 1 January 2020).

2. How and where client money is held

2.1. All client money held or received by Henry H Bletsoe and Son LLP is banked into either:

- 2.1.1. a general client bank account;
- 2.1.2. a designated named client account; or
- 2.1.3. a client-controlled bank account.

2.2. A general client bank account is a client bank account which holds client money for multiple clients.

2.3. A designated named client 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.

2.4. A client may request that tenants and others pay monies directly to a bank account controlled by themselves and Henry H Bletsoe and Son LLP will have no control over these accounts. These accounts are not covered by the RICS Client Money Protection Scheme.

2.5. In the cases of both 2.1.1 and 2.1.2 the client money is under the exclusive control of Henry H Bletsoe and Son LLP and the bank accounts are held by a UK banking institution, with a minimum rating of BBB+ which is regulated by the Bank of England and the Financial Conduct Authority. Client money is currently held in a client bank account with Barclays Bank, 8 Market Place, Kettering in the appropriate Client account, namely: Henry H Bletsoe and Son LLP Client Account, Henry H Bletsoe and Son LLP Deposit Client Account, Henry H Bletsoe and Son LLP Residential Client Account, Henry H Bletsoe and Son LLP Residential Deposit Client Account, Henry H Bletsoe and Son LLP Client Card Account, or Henry H Bletsoe and Son LLP Auction Client Account.

3. Definition of client money

3.1. Money of any currency (whether in the form of cash, cheque, draft or electronic transfer) that:
3.1.1. an RICS-regulated firm holds for or receives on behalf of another person, including money held by a regulated firm as stakeholder; and
3.1.2. is not immediately due and payable on demand to the RICS-regulated firm for its own account; but

excluding fees paid in advance for professional work agreed to be performed, and clearly identifiable as such, unless the fees are for works undertaken as a property agent as defined by the Rules of the RICS Client Money Protection Scheme for Property Agents (Client Money Handling UK 1st Edition, October 2019, effective from 1 January 2020).

4. Access to funds

4.1. Henry H Bletsoe and Son LLP staff have defined access to funds based on their individual roles which are set out in the banking mandates and system access and approval controls. These are defined below:

4.2. Accounts Managers (including residential lettings managers and the auction account manager) have the ability to view bank statements and interrogate online platforms to identify payments and receipts. They also have the ability to upload payments for authorisation and internal bank transfers.

- 4.3. Once uploaded as a payment (or internal bank transfer) by the Accounts Managers, it is authorised by:
 - 4.3.1. A Partner performing the sign off of payments on the online system; or
 - 4.3.2. Another Account Manager not within the same section of the business (ie Accounts, Residential Lettings, Auction Accounts are separate areas of the business and in separate parts of the building)
 - 4.4. Partners have the ability to view bank statements and create payments, which would be authorised by another Partner or Account Manager.
 - 4.5. Client Account cheques can be signed by Partners. Cheques over £25,000 require the signature of two Member Partners.
 - 4.6. The Member Partners are responsible for authorising bank mandate changes. Changes to bank mandates require two signatures in line with the bank mandate both of which will be a Member Partner.
5. Timescales for receipting of cash and cheques into a client account
- 5.1. The Accounts Managers at Henry H Bletsoe and Son LLP log all monies received by post or electronic transfer on the day of receipt, where possible, and allocate to the appropriate client ledgers. Where cash is received a duplicate receipt will be given to the client with a copy retained. All cheques are banked promptly, usually within 1 week of receipt. Cheques are stored securely in the office where they are received until they are banked. Any unidentified funds are investigated as soon as possible. If it is not possible to identify what the money relates to it will be returned to the sender within 1 month of receipt.
6. Authorisation of payments from a client account
- 6.1. All payments from a client account require approval prior to payment in line with our Property Management Services for Landlords and Terms of Business or General Terms and Conditions of Business, or via specific permission obtained from the client. Cash transfers to clients are first approved outside of the banking platform by the Fee Earner responsible for the specific client. A payment request is made to the Account Manager, where it requires subsequent approval in accordance with the roles identified above at section 4. The responsible Fee Earner's approval is available either physically or online for the bank platform approvers to review.
 - 6.2. Once a purchase invoice has been approved by a fee earner and the service /goods have been receipted, it will be available for payment. The Accounts Managers prepare a draft payment run and upload it to the BACS online platform for approval in line with the cash transfers above. As described above at section 4, all external bank transfers are subject to a two-stage authorisation process.
 - 6.3. In line with the general office policy, any electronic payment made to a new bank account will be verified in writing and verbally to check the bank account details. The on-line bank authorisation flags up any new accounts and the bank details will be verified as above,. The on-line bank authorisation also flags up any accounts which have not been used for some time, and the bank details will either be verified as above, or verified against previous payments.
7. How interest and bank charges are handled
- 7.1. Henry H Bletsoe and Son LLP's general client accounts are interest bearing, instant access accounts. The account maintenance and transactional banking costs are paid for by Henry H Bletsoe and Son LLP and hence are not charged to the general client account. As per our General Terms of Business, Henry H Bletsoe and Son LLP is entitled to retain the interest earned on general client accounts which is used to offset the account maintenance and transactional banking costs. On designated named client bank accounts, opened to hold deposit or reserve funds, the interest will be accrued and added to the balance, but any transactional or administrative charges will be paid for by Henry H Bletsoe and Son LLP.

8. Bank reconciliation procedures

8.1. Bank reconciliations are performed daily on all accounts. As per the RICS Regulations we perform a three-way reconciliation between the bank statement, general ledger and individual client ledger cashbooks. The client accounts bank reconciliations are reviewed and signed off by a Partner on a monthly basis.

9. Providing information to clients about monies held on their accounts

9.1. As part of agreeing our responsibilities with our clients at the outset of an instruction, we set out the details of the financial information and frequency with which it is to be provided to our clients and this is documented through an engagement letter / fee letter or property management agreement. It is our normal practice to provide client money information to a client at a monthly or quarterly frequency.

10. Unidentified Funds Procedure

10.1. If funds held in any Client account are unidentified and we cannot trace to whom they belong, after three years we will donate those unidentified funds to a registered charity from whom a receipt will be obtained.

11. Livestock Auctions

11.1. Henry H Bletsoe and Son LLP operate livestock markets and there are special rules relating to monies from livestock sales. The RICS Professional Standards and Guidance UK, Client Money Handling for Livestock Auctioneers UK 1st Edition, February 2021 is applicable. In respect of livestock sales held at the auctioneer's premises (which might also occasionally include at alternative premises) and where the sale is not wholly or mainly for one client

11.1.1. Henry H Bletsoe and Son LLP acts as principal in the financial transaction; and

11.1.2. Sale proceeds are paid into the auction account and not a client bank account; and

11.1.3. consequently, the RICS Client Money Protection Scheme does not apply to protect the vendor against the auctioneer in the event of insolvency.

11.2. The above is advertised in the Auction Office alongside the Conditions of Sale. These rules apply only to the sale of livestock and not to other items sold, such as machinery and other non-livestock items, which are treated as Client Money and run through a Client Account as set out above.

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