

POLICY DOCUMENT

Client Money Handling Procedure.

JW Wood Ltd and Homemove (Property Management) Ltd.

COUNTY DURHAM & DARLINGTON

Effective from January 2025

Client Money Handling Procedure

Our aim at J W Wood Ltd and Homemove (Property Management) Ltd is to ensure that clients' money can be clearly linked to the clients to whom it belongs and is protected on their behalf at all times — including in the event of insolvency, misappropriation, or transfer to another organisation. Should clients' money be misappropriated, we will inform RICS and, where appropriate, the police and their insurers.

01

GENERAL

CONTROLS

WE ENSURE:

- Our employees have clear segregation of duties and responsibilities and a Principal or appropriately qualified individual oversees the client accounting function.
- We employ competent and knowledgeable staff who are responsible for processing clients' money and are familiar with RICS Rules.
- Our accounting systems and client data are securely controlled and protected.
- Our computer systems are adequately protected for access, firewalls, backups and disaster recovery.
- We have adequate cover for holiday and long-term absence.
- Principals cannot and do not override controls surrounding the accounting system.
- All departments and branches apply the same level of controls in relation to the client accounting function.

02

CLIENT BANK

ACCOUNTS

WE ENSURE:

- That our clients' money is held in one or more client bank accounts separate from all other monies and that client money is available on demand.
- Client bank accounts are correctly titled and include the name of the firm and the word "client" to distinguish the account from our office or any other accounts. Our discrete accounts include the name of the client within the account title.
- We have obtained written confirmation from the bank of the client account conditions.
- We have obtained written consent from our clients regarding the retention of interest.

03

CLIENT

ACCOUNTING

SYSTEMS

WE ENSURE:

- Our accounting records and systems are appropriate to the nature and volumes of client account transactions. We use a suitable software package which enables us to manage client money effectively.
- Our systems provide details of all money received into and paid from all our client accounts and shows a running balance of all client money held in those accounts.
- Our systems identify all receipts and payments to the client to which they relate by means of client ledgers showing cash balances held on behalf of clients at all times.
- Our accounting records are completed chronologically and promptly.
- The current balances at the total and client levels are always available.
- All ledgers have the client name and an appropriate description.
- Overdrawn balances on client ledgers are prevented by the systems or controls in place and where they do occur are investigated and rectified immediately.
- Adequate controls are in place over unidentified client money to ensure that such funds are kept securely. Best efforts are made to locate the client and reimburse as soon as possible. Such funds held for more than six years are donated to a registered charity.
- We complete a "three way" reconciliation once a month in our general client account. This includes a full list of client ledger balances, dated unpresented cheques, dated outstanding deposits, and system reports supporting reconciliation figures as appropriate.
- We complete monthly reconciliations on our discrete accounts to show that the cash book or system balances agree to the bank statement balances.
- Our reconciliations do not include regularly occurring adjustments or reconciling items more than three months old, except for unpresented cheques no more than six months old.
- Reconciliations are reviewed and signed off by a Principal or an appropriate independent senior member of staff.
- Our client accounting records, including copies of reconciliations, are securely kept for at least six years plus the current year.

04

RECEIPT OF

CLIENT MONEY

WE ENSURE:

- Only a Principal or appropriate senior staff member opens incoming post.
- Procedures exist to ensure all clients' money is banked within three working days.
- All cash and cheques received by post or by hand are promptly recorded.
- A reconciliation is performed between money received by post and that day's banking.
- Procedures exist to identify and distinguish between clients' and office money.
- Mixed monies are initially paid into a client account and the office element paid to the office account when the receipt has cleared the bank.
- Fees received in advance for professional work not yet billed are paid into a client account pending completion of the work.
- Duplicate receipts are issued for cash received and controls over the physical security of cash are effective.
- Unbanked client money receipts are kept secure.

05

PAYMENT OF

CLIENT MONEY

WE ENSURE:

- Checks are made to ensure that sufficient funds are held on behalf of the relevant client before payments are made.
- A copy of the bank mandate is held and is up to date.
- Adequate authorisation and supervision procedures are in place for payments made by cheque, bank transfer and electronic methods.
- Insurance and adequate Principal supervision is in place where payments are made by non-principals.
- All payment requests have supporting evidence and that documentation has been authorised in advance by a Principal or other appropriate person.
- Blank cheques are not signed, and unused cheques are kept securely.
- Effective controls are in place over the setting up of new supplier accounts on the system.
- Cash payments are avoided.

HAVE A QUESTION?

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