

Client Money Handling Procedures

P10 Version 1

1. Introduction

This procedure outlines the processes and controls implemented by Real Estate Management UK Ltd (REM) for handling client monies. It ensures compliance with RICS Professional Statement on Client Money Handling, promoting transparency, accountability and compliance with industry standards.

2. Definition of Client Money

Client money refers to any funds held by REM on behalf of clients. This includes

- Any currency (whether cash, cheque, draft or electronic transfer) that we hold or receive on behalf of our clients as part of the delivery of our services outlined in the agreed management agreements.
- Excluding amounts which are immediately due and payable on demand.

3. Segregation of Client Money

To ensure the protection of client funds, REM will maintain separate accounts for client money and REM's own business funds. These accounts will comply with the following principles:

- Client money will be held in a designated client bank account, which is separate from REM's operating account.
- The client account will be maintained in a UK-regulated financial institution.
- The client accounts are clearly labelled as "Client Accounts" to distinguish them from other funds.

4. Access to Funds

Only authorised personnel within REM can access client accounts.

All payments made from client accounts are authorised following a documented approval process. The banking mandates are reviewed bi-annually and updated when any changes are made to the mandate.

The segregation of duties ensures that no single individual has full control over transactions, which minimises the risk of errors or misuse.

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5. Time Scales for Payment into Client Accounts

Electronic transfers of client moneys are paid directly into a common account and are then subsequently allocated to the relevant client accounts.

The common account is checked daily for receipts, and transfers normally take place the same day.

6. Interest and Bank Charges

The bank accounts used to hold client money are interest bearing accounts, all interest is credited back to the relevant account.

Where bank charges are incurred on client accounts, these may also be charged back to the client if specified in the contractual agreements.

7. Bank Account Reconciliations

REM maintain records for all common and client accounts, with an audit trail being created for all transactions.

The common account is reconciled daily, with any receipts being transferred and posted into the relevant client account.

All accounts are reconciled monthly, using a three-way reconciliation between the bank, general ledger and individual cash books, as required by RICS.