

Petersen Associates Limited
Client Money Handling

Overview:

The purpose of this document is to set out Petersen Associates Client Money Handling procedures.

Internal controls and procedures have been designed and implemented to follow best practice and Royal Institute of Chartered Surveyors (RICS) regulations as set out in the RICS Professional Standards and Guidance UK, Client Money Handling, 1st Edition.

Definition of Client Money:

For the purpose of these terms Client Money is defined by the RICS as:

Money of any currency (whether in the form of cash, cheque, draft or electronic transfer) that:

- an RICS-regulated firm holds for or receives on behalf of another person, including money held by a regulated firm as stakeholder and
- is not immediately due and payable on demand to the RICS-regulated firm for its own account,

excluding fees paid in advance for professional work agreed to be performed, and clearly identifiable as such, unless the fees are for work undertaken as a property agent as defined by the Rules of the RICS Client Money Protection Scheme for Property Agents.

How and where client money is held

All client money held or received by Petersen Associates is banked into a designated discrete account set up to hold client money for a single client. The name of the client will be incorporated into the account name.

Where a client requests that tenants pay monies directly to a bank account controlled by themselves and Petersen Associates will have no control over these accounts. These accounts are not covered by the RICS client money protection scheme.

Client money held under the exclusive control of Petersen Associates will be held in UK bank regulated by the Prudential Regulation Authority, the Bank of England and the Financial Conduct Authority.

Access to funds

Petersen Associate have in system access and controls that ensure access to client money is clearly defined and in line with the banking mandates.

Property Managers:

- Responsible for the agreement and approval of spend

Last Review Date: Mar 2022

Next Review Date: Mar 2023

Accounts Staff:

- Access to view bank statements to identify payments and receipts.
- Upload payments and transfers for authorisation utilising the relevant online banking platform;

Directors:

- Responsible for performing the sign off of payments and transfer on the online systems;
- Authorising banking mandate changes;

Timescales for receipting of cash and cheques into a client account

The Accounts team record all monies received by post or electronic transfer on the day of receipt and allocate to the appropriate client ledgers.

All cheques are banked promptly, usually within 1 week of receipt.

Cheques are stored securely in the relevant office where they are received in a fire proof safe or lock box until they are banked.

Unidentified funds:

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.

Authorisation of payments from a client account

All payments from a client account require approval prior to payment.

For the payment of purchase Invoices, Purchase Orders and Purchase Invoices are first approved in line with our internal approval rules on our purchase to pay system.

Once a purchase invoice has been fully approved and the service /goods have been receipted, it will then be available for payment.

The accounts team prepare a draft payment run and upload it to the online banking platform for Director approval.

Interest and bank charges

Petersen Associates client accounts are interest bearing, instant access accounts. The account maintenance and transactional banking costs are paid for by Petersen Associates

On discrete bank accounts interest will be accrued and added to the balance

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Bank reconciliation procedures

Bank reconciliations are performed on a monthly basis 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.

All bank reconciliations are reviewed by two authorisers one of which will be a Director.

Providing information to clients about monies held on their accounts

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 or property management agreement. It is our normal practice to provide client money information to a client at a monthly or quarterly frequency.

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