

**POLICY AND PROCEDURES FOR THE RECEIPT & BANKING OF CLIENT
and FIRM MONEY**

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Related documents:	<ul style="list-style-type: none"> • Money Laundering Policy and Procedures • Policy and Procedures for Client Bank Account Reconciliations 		

Introduction

The firm is obliged to have written procedures on the handling of client and firm money in order to comply with RICS regulations and the provisions of our PI policy. The firm also wishes to ensure that there is a culture of best practice in the handling of client and firm money throughout the firm. These procedures deal with the receipt of client and firm money.

Please note that the firm does not accept cash receipts under any circumstances.

Definitions

It is crucial that we make the distinction between client and firm money, in order to treat both in the correct way.

What is client money?

Client money is any money received by the firm in the course of its business activities that does not wholly belong to the firm or any partner of the firm.

Client money includes:

- Rents for client properties
- Service charges for client properties
- Tenants’ deposits for client properties
- Interest credited to a client account (unless the firm has the written agreement of the client that the interest can be retained by the firm)
- Fee money taken in advance
- Arbitration fees
- Client money held but due to be paid to contractors

What is firm money?

Firm money is any money received by the firm which belongs to the firm or a partner of the firm. Firm and partner money includes:

- Money properly held in the firm account
- Money received for payment of fees after a fee invoice has been issued
- Interest credited to the firm account and any client account where the client has agreed in writing that the firm may retain the interest
- Any money held on behalf of a partner in an account with the firm. However, if a third party is involved in the transaction, who is not a partner, the money is client money (this includes a partner’s spouse/partner)
- Rents received for firm properties
- Tenants’ deposits for firm properties

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Mixed funds

Mixed funds include client and firm’s money. A simple example would be a client of the firm, who is also a tenant of a client, paying a Galbraith fee note and a rent payment in one transaction.

Bank Receipts

- Receipts into the firm’s bank account should be identified and allocated same day
- Unallocated/unidentified/mixed funds should be paid into a client account within 24 hours
- The firm element of a mixed receipt should be transferred to the firm’s bank account promptly
- Receipts received in error should be returned promptly
- Unidentified funds should be investigated promptly, in the first instance by communicating with all staff
- Receipts into client bank account should be identified and allocated
- In the event of an error (for example, funds paid into the wrong discrete client account), it should be rectified immediately, after reporting to a Supervisor , Rural Client Accounting Manager, Head of Finance, or a Partner

Cheque Receipts

These procedures have been updated as a result of the impact of COVID-19 and were issued via email to all staff on 25 March 2020.

Several offices remain closed and those that are open are operating at reduced capacity. It is not known how long this situation will last. As a result, previous mail opening and cheque banking procedures are redundant and have been replaced by the following:

- It is no longer possible to split the mail opening/recording/cheque banking process between four people to ensure the appropriate level of segregation of duties
- It is now the responsibility of Partners, and the Senior Associate in Kelso (where there is no partner), to open and allocate the mail, and bank cheques
- This may involve a rota, or a nominated Partner but this will be agreed at office level
- It may not be possible to do this every day, depending on local restrictions but please remain as close to RICS timescales as possible, and aim to collect and pay in cheques every 2/3 days

Cheque Procedures

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- Scan the cheques and any paperwork to the Galbraith accounts team, and the two Client Accounting Managers in one email (a useful app is genius.scan)
- Wait to be advised which account they need to be paid into
- If scanning isn't possible then please email the same group of people with the following information:
 - a. Date on the cheque
 - b. Amount
 - c. Who the cheque is from
 - d. Details of what the cheque is paying – this should be available on the paperwork included with the cheque or detailed on the back of the cheque by the payee

And then wait for confirmation for which account the cheques need to be paid into.

- Please check that the cheque has been signed before banking
- Use the appropriate payin books to pay the cheques in at the bank,
- If a pay-in book is not available please write down the account details provided by a member of the accounts team and request that the cheques be paid into that account
- Confirm to the Galbraith accounts team, and the two Client Accounting Managers the date that the cheques have been paid in
- Those teams will verify the pay in details and crops check against receipt in the banking systems

Auditing

This procedure will be subjected to both internal and external auditing on a regular basis and will also form part of any RICS finance audit. Non-compliance by a member of staff may be dealt with as a disciplinary matter.

Review

This procedure will be reviewed at appropriate intervals.

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