



## **McDowalls Surveyors Limited – Client Money Handling Procedures**

**1<sup>st</sup> April 2023**

The purpose of this document is to set out McDowalls Surveyors Limited's and its Client Money Handling procedures. McDowalls 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, First Edition in October 2019 effective from the 1<sup>st</sup> January 2020 and subsequent updates. The most recent having been in October 2022.

### **1. How and where client money is held**

All client money held or received by McDowalls Surveyors Limited is banked into either: (A) a general pooled client bank account; (B) a designated discrete account.

- a. A general client bank account is a client bank account which holds pooled client money for multiple clients;
- b. A designated discrete 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.
- c. A client may request that tenants pay monies directly to a bank account controlled by themselves and McDowalls Surveyors Limited will have no control over these accounts.

In the cases of both A & B the client money is under the exclusive control of McDowalls Surveyors Limited and the bank accounts are held by a Lloyds Bank PLC a UK banking institution, with a suitable minimum rating which is regulated by the Prudential Regulation Authority, the Bank of England and the Financial Conduct Authority

## **2. Access to funds**

McDowalls Surveyors Limited 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:

### **Property Client Accounts**

- Accounts Staff, the Office Manager and Directors have the ability to view bank statements and interrogate online platforms to identify payments and receipts.
- Accounts Staff, Office Manager and Directors have the ability to prepare payments for approval by Christopher Baker but cannot make these payments.
- Only Christopher Baker and Marina Formesyn are responsible for authorising bank mandate changes;
- For internal bank transfers within McDowalls Surveyors Limited a single signatory can approve payments this can be either Christopher Baker or Marina Formesyn
- For bank transfers and BACS payments from McDowalls Surveyors Limited to external parties only Christopher Baker and Marina Formesyn can make payment.

Changes to bank mandates require two signatures in line with the bank mandate of which one will be Christopher Baker as Owner of McDowalls Surveyors Limited. The other signatory who is on the bank mandate is Marina Formesyn.

## **3. Timescales for receipting of cash and cheques into a client account**

The accounts team at McDowalls Surveyors Limited log all monies received by post or electronic transfer on the day of receipt, where possible, and allocate to the appropriate client ledger.

All cheques are banked promptly, within 1 week of receipt. Cheques are stored securely in the firms office where they are received in a fire proof safe until banked by Christopher Baker or Marina Formesyn

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.

## **4. Authorisation of payments from a client account**

All payments from a client account require approval prior to payment in line with our Property Management Agreement or Terms of Business, or via a specific permission obtained from the client.

These transfers are first checked by the accounts team to ensure funds are available and then the transfer of funds is raised the account team and completed by Christopher Baker as owner of McDowalls Surveyors Limited.

For the payment of purchase Invoices, Purchase Orders and Purchase Invoices are first approved by an internal staff member. Once a purchase invoice has been fully approved and the service or goods received, it will then be available for payment. The accounts team prepare a payment run and it is sent to Christopher Baker to action.

As described previously, all external bank transfers are subject to a two-stage authorisation process.

## **5. How interest and bank charges are handled**

McDowalls Surveyors Limited general client accounts are interest bearing, instant access accounts. The account maintenance and transactional banking costs are paid for by McDowalls Surveyors Limited and hence are not charged to the general account.

As per our standard terms of business McDowalls Surveyors Limited is entitled to retain the interest earned on general clients' accounts which is used to offset the bank charges and account maintenance along with transactional banking costs.

On discrete bank accounts the interest will be added to the interest balance in the pooled client account but any transactional or administrative charges will be paid for by McDowalls Surveyors Limited

## **6. 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.

All bank reconciliations are reviewed by the 2 members of the accounts staff and signed by one of the Directors

## **7. Providing information to clients about monies held on their accounts**

As part of our responsibilities with our clients from the beginning of the 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 quarterly frequency or upon request.

This statement is provided by Christopher Baker as owner of McDowalls Surveyors Limited and supported by the Company Directors

Signed



Dated 1<sup>st</sup> April 2023



## **Addendum –**

The RICS guidance states that the definition of Client Money is as follows;

Money of any currency held in the form of cash, cheque, bankers draft or electronic transfer that a 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; but excluding fees paid in advance for 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 and surveying services.

This definition is provided to us in the RICS client money handling 1<sup>st</sup> edition and its subsequent updates.