



Client Money Procedure 2019

Morley Riches & Ablewhite (MRA) is Regulated by RICS and is a member of the RICS Client Money Protection Scheme.

In accordance with RICS Client Money Protection Scheme Rules 1st April 2019 (Appendix 1, section 7.3) firms must have and publish a written procedure for handling client money.

Detail of RICS Client Money Protection Scheme is available on request or can be downloaded at www.rics.org/regulation Confirmation of MRA's membership is attached to this document.

A copy of this procedure is also available on request as a pdf and can be downloaded from our website at www.mrallp.co.uk/clientmoney

All Client Money is paid into the following account

Name: Morley Riches & Ablewhite Client's Rent Account
Bank: Nat West Bank, Colchester
Code: 60-06-06
Number: XXXXXX46

Nat West Bank acknowledges that monies in the Client Rent Account must not be combined with, or transferred to, any other account maintained by MRA and shall not be entitled to exercise any right of set off or counterclaim against money in that Client Money Account in respect of any sum owed to it in respect of any other account of MRA.

MRA keeps records and accounts which show all dealings with Client Money and will demonstrate that all Client Money held by the firm is held in a Client Money Account.

MRA will repay any Client Money, including where feasible any interest earned, without delay if there is no longer any requirement to retain that money or the relevant client requests it.

MRA holds and maintains professional indemnity insurance cover that is appropriate for MRA's size, income, type of work and the amount of Client Money held. Details are available on request.

General

Clients' money is any money received by a firm, in the course of its business activities, that does not wholly belong to it or any Principal or Principals of the firm. Examples of clients' money include:

- tenants' deposits
- rents
- service charges
- interest credited to a client account (unless interest is retained by the firm by agreement)
- Arbitration fees
- fee money taken in advance
- clients' money held but due to be paid to contractors
- money held by members appointed as a Receiver
- sale proceeds and deposits
- auction sale proceeds.

Please note that the above list is not exhaustive and there may be other examples of clients' money.

MRA will ensure:

- they hold clients' money in one or more client bank accounts separate from all other monies. Client money will be available on demand. A bank account is correctly titled to include the name of the firm and the word "client" to distinguish the account from an office or any other account. The account detailed on page 1 of this procedure note is a client bank account for this purpose. It holds client money belonging to more than one client.
- a client bank account which holds clients' money belonging to a single client (known as a designated or discrete client bank account) will be designated as such and show the client's name in the title.
- they have obtained written confirmation from the bank of the client account conditions.
- they will advise clients in writing of the bank account details (account name and name and address of the bank) and agree the terms of the account handling, including arrangements for interest and charges.
- they obtain written consent from their client if the firm is to retain interest.

In accordance with RICS rules, MRA will preserve the security of clients' money entrusted to its care in the course of its practice or business. The aim 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 and in particular, in the following circumstances:

- insolvency
- death of a sole practitioner
- misappropriation by any party
- transfer of client money to another organisation.

Should clients' money be misappropriated, MRA will inform RICS and, where appropriate, the police and their insurers.

Staffing and systems MRA will ensure:

- employees have clear segregation of duties and responsibilities and that a Principal or appropriately qualified individual oversees the client accounting function
- they employ competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with RICS Rules and this procedure note
- accounting systems and client data are securely controlled and protected
- computer systems are adequately protected for access, firewalls, backups and disaster recovery
- there is 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

Client accounting systems and controls MRA will ensure:

- accounting records and systems are appropriate to the nature and volumes of client account transactions.
- systems provide details of all money received into and paid from all client accounts and show a running balance of all client money held in that account.
- systems identify all receipts and payments to the client to which they relate; for example by means of client ledgers showing cash balances held on behalf of clients at all times.
- 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, e.g. the property address
- 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. The client should be located and reimbursed as soon as possible.
- a central list of client bank accounts is maintained including dates of opening and closing of accounts.
- they complete a "three way" reconciliation at least once every month where clients' money is held in a general client account. This will be produced as a formal statement with any unresolved differences or adjustments having fully investigated and explained. Any errors identified in the reconciliation process will be promptly rectified. General client account reconciliations will include a full list of:
 - client ledger balances and the total of the balances
 - dated unrepresented cheques
 - dated outstanding deposits
 - details of any other reconciling items
 - system reports supporting reconciliation figures as appropriate.
- For discrete accounts the monthly reconciliations should agree the cash book or system balances to bank statement balances and include a full list of:
 - dated unrepresented cheques
 - dated outstanding deposits
 - details of any other reconciling items
 - system reports supporting reconciliation figures as appropriate.

- Reconciliations will not include regularly occurring adjustments or reconciling items more than three months old, except for unpresented cheques which should be no more than six months old. Reconciliations will be reviewed and signed off by a Partner of MRA.
- Client accounting records, including copies of reconciliations, are securely kept for at least six years plus the current year.

Controls over the receipt of client money MRA will ensure:

- only a Partner or appropriate staff independent of accounting staff open 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 by a Partner
- a reconciliation is performed between money received by post and that day's banking
- procedures exist and are operated by a Partner 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.

Controls over the payment of client money MRA will 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
- payments made by cheque, bank transfer and electronic methods are only made by a Partner and will be counter-signed by a second partner in accordance with MRA's bank mandate.
- no payments are made by non-Partners
- all payment requests have supporting evidence and that documentation has been authorised in advance by a Partner
- 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 not made

Policy for operating bank accounts

- At no time will a member of staff change any details on a bank account held in the name of Morley Riches & Ablewhite, its clients, tenants or any account to which a member of staff has access.
- At no time will a member of staff transfer money from any such accounts mentioned above.
- At no time will a member of staff pay an invoice from any of those accounts mentioned above other than by filling out a cheque for Jon Ablewhite, Peter Riches or Samantha Morley to sign.
- At no time will a member of staff use a credit or debit card held by any Member or Partner of Morley Riches & Ablewhite. In the event a Companies House payment is required for a filing fee the member of staff will ask the Member or Partner of Morley Riches & Ablewhite to input their card details personally.

- At no time will a member of staff discuss a banking matter with any member of the Bank's staff for an account held for or on behalf of Morley Riches & Ablewhite other than to pay monies into an account using a credit slip or to put a stop on a cheque issued by Morley Riches & Ablewhite when requested to do so.
- For a member of staff who has authorisation to access Morley Riches & Ablewhite's bank accounts "on line" that member of staff may make a print out of the account. Such print out will not be copied or removed from the offices of Morley Riches & Ablewhite. The print out may be used to chase late payers or show an amount of money has been received and may be filed accordingly.
- At no time may a member of staff give consent or access to anyone else having their log in details.
- In the event a Member or Partner of Morley Riches & Ablewhite asks a member of staff to contravene any of the points contained within this document the member of staff must decline to carry out the request and must immediately report the matter to Samantha Morley.
- In the event Samantha Morley asks a member of staff to contravene any of the points contained within this document the member of staff must decline to carry out the request and must immediately report the matter to Jon Ablewhite.
- In the event any of the above points are not carried out it will become a disciplinary matter and the relevant employment law procedures will be followed by Morley Riches & Ablewhite under the guidance and advice of our solicitors.



This is to certify that

Morley Riches & Ablewhite

RICS Firm Reference: 030983

Is a member of the RICS Client Money Protection Scheme

For valid claims, the customers of scheme members will have access to Client Money Protection with the following claims limitations:

- an annual aggregate limit of up to £10,300,000 million, in addition to;
- an annual aggregate limit of £20,000,000 specifically ringfenced for the activities of a "letting agent" or a "property manager" as defined in the Housing and Planning Act, 2016; and,
- a claims limit of £50,000 per valid claim.

Exclusions and limitations to the scheme can be found on www.rics.org/clientmoneyprotectionscheme.

A handwritten signature in black ink that reads "Richard Collins". The signature is written in a cursive, slightly slanted style.

Executive Director for the
Profession