

**BAGSHAWS LLP**

**(Incorporating Bury & Hilton)**

**CLIENT MONEY HANDLING PROCEDURE**

**Compliance**

This document is to be taken as the Firm's written procedures for Handling Client Money in accordance with RICS Regulation (to include Client Money Handling for Livestock Auctioneers), the RICS Client Money Protection Scheme, and the RICS Client Money Protection Scheme for Property Agents (Approval and Designation of Schemes) Regulations 2018.

Further details can be found on the RICS website at [www.rics.org](http://www.rics.org) and copies of the relevant documents can be accessed online or can be provided on reasonable request, free of charge.

**Aim**

The aim of these written procedures is to ensure that client monies are held in accordance with Rule 8 of the RICS Rules of Conduct which states the following:

*A Firm shall preserve the security of clients' money entrusted to its care in the course of its practice or business.*

The aim is to also comply with the RICS Client Money Protection Scheme.

**General Procedures and Controls**

All Client Money is held in a Client Money Account with a bank regulated by the Prudential Regulatory Authority and the Financial Conduct Authority.

All Client Money Accounts are designated as such to distinguish them from other accounts.

Written confirmation is held from the bank with which we hold Client Money Accounts acknowledging that client monies will not be combined with any other account maintained by the Firm, nor shall the bank be entitled to exercise any right of set-off or counterclaim.

The Firm holds and maintains Professional Indemnity Insurance cover appropriate to its circumstances and the amount of Client Money it holds.

**Client Accounting Systems and Controls**

Records are maintained that show all dealings with Client Money.

Accounting records are completed chronologically and promptly with details of all monies received into and paid from all Client Money Accounts, and they show a running balance of all client monies held in each such account.

Accounting records identify all receipts and payments for each client to which they relate, with appropriate information being held in respect of each client, details of which can be requested at any time.

Procedures are in place to ensure that Client Money is repaid without delay where there is no longer any requirement to hold it or where the relevant client reasonably requests it.

A Principal or an appropriately qualified individual will oversee all client accounts and the client accounting systems. Those individuals review monthly reconciliations and ensure that any discrepancies are investigated and promptly rectified. Those individuals cannot and do not override controls surrounding the accounting systems.

### **Donations to Charity**

Where the Firm receives Client Money but cannot identify the client or owner of those funds, procedures are in place to ensure that such unidentified funds are reviewed as soon as possible. The Firm will take all reasonable steps to identify the client or owner of those funds but if identification or repayment has not been possible within three years of receipt, the funds will be donated to a registered charity. The Firm will however remain responsible for ensuring that Client Money is repaid should a claimant come forward. A receiving charity can therefore be requested to offer an indemnity to enable the Firm to recover a donation in the event of a claim.

### **Client Bank Accounts**

All Bagshaws LLP Client Money Accounts are held with Royal Bank of Scotland.

Client Money Accounts (non-discrete) currently in use are as follows:

- Bagshaws LLP Client Commercial Deposits General Account
- Bagshaws LLP No 5 Clients Account
- Bagshaws LLP No 6 Auction Sale Client Account
- Bagshaws LLP No 9 Clients Account Property
- Bagshaws LLP Charity Client Account

Clients will be notified of the account into which their client monies have been paid.

Unless otherwise agreed, interest earned on Client Money Accounts is retained to offset against bank charges which are paid by the Firm.

### **Receipt of Clients Money**

All receipts of client monies are banked into a Client Money Account within three working days.

Any unbanked client monies are kept securely until deposited.

Procedures exist to identify client monies and to distinguish them from monies of the Firm. If mixed monies are received, they are initially paid into a Client Money Account before transferring the Firm monies to an Office Money Account once the receipt has cleared the bank.

Fees received in advance for professional work are paid into a Client Money Account pending completion of that work. No cover is available on those monies however from the RICS Client Money Protection Scheme.

### **Payment of Clients Money**

Checks are made to ensure that sufficient funds are held on behalf of a client before payments are made.

Adequate authorisation and supervision procedures are in place for all payments made by whatever means. The Firm does not make such payments by cash.

Procedures are in place to ensure that all payments are properly supported and authorised, and are in accordance with instructions agreed with the client.

### **Additional Information**

For the avoidance of doubt, it is important to note that sales through our Livestock Markets are conducted with Bagshaws LLP acting as Principal. Financial transactions on such sales are not therefore classed as client monies and no cover is available from the RICS Client Money Protection Scheme.

Other sales, including Farm Dispersal Sales, are conducted with Bagshaws LLP acting as Agent. Subject to the exception detailed below, financial transactions on such sales are therefore classed as client monies and cover is available from the RICS Client Money Protection Scheme.

For other sales, any payments to be made to vendors in advance of monies being received from purchasers are to be made by Bagshaws LLP acting as Principal. Such transactions are not therefore classed as client monies and no cover is available from the RICS Client Money Protection Scheme.