

## **Fenn Wright LLP – Client Money Handling Procedures**

The purpose of this document is to set out Fenn Wright LLP's Client Money Handling procedures. Fenn Wright's internal controls and procedures set out below have been designed and implemented to follow best practice and RICS regulations.

### **Definition of a Client**

Any person, firm, trust, body corporate or other organisation that is a client of an RICS-regulated firm.

*RICS Client Money Handling 1<sup>st</sup> Edition October 2019.*

### **Definition of Client Money**

Money of any currency (whether in the form of cash, cheque, 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 Fenn Wright for its own account, but
- 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.

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### **Holding Client Money**

All client money held or received by Fenn Wright LLP is banked into a general client bank account which holds pooled client money for multiple clients. Fenn Wright LLP retain exclusive control of all client money accounts held with Natwest who are regulated by the Financial Conduct Authority and Prudential Regulation Authority.

As a RICS member, Fenn Wright LLP maintain multiple client money accounts into which all client money is paid. Fenn Wright LLP ensure that all client money accounts are designated as such and easily distinguished from other accounts. Clients are advised the details of which account their money is held in.

Only trained finance staff or owners of the firm have access to client funds held by Fenn Wright LLP. Controls within the banking system are in place so that only finance staff may create payments, and only owners of the firm are able to approve payments. No payment may be created and approved by the same person.

Fenn Wright LLP confirm in writing with Natwest that Natwest acknowledges that monies held in any Client Money Account must not be combined with or transferred to, any other account maintained by Fenn Wright, and Natwest shall not be entitled to exercise any right of set up or counterclaim against money held in any Fenn Wright LLP Client Accounts in respect of any sum owed to Natwest in respect of any other account by Fenn Wright LLP.

Fenn Wright LLP keep records and accounts which show all dealings with Client Money and demonstrate that all client money held by the firm is held in a client money account.

Fenn Wright LLP 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.

Notional or actual balances held in client current accounts may be brought into a pool for calculation of interest and/or commission, depending on the arrangement with the bank. Where this is applicable Fenn Wright LLP will retain such commission and/or interest.

Fenn Wright LLP hold and maintain Professional Indemnity Insurance cover that is appropriate to our size, income, type of work and amount of client money held.

#### Treatment of Funds - Receipts

The Finance team at Fenn Wright log all client monies received the next working day and allocate, where possible, to the appropriate client ledgers.

Cheques are generally received to the Fenn Wright head office and are banked usually within 1 week of receipt. Cheques are stored securely in the relevant office until banked.

Any deposit accounts which are in receipt of interest accruing from client deposits are payable to the client.

In the event that we receive surplus client money in a client account, we follow best practice and ensure that all efforts are made to trace clients or owners of the money, hold the surplus in a client suspense account, and hold it for at least 3 years. After a minimum of 3 years the money will be donated to a registered charity and a receipt obtained which, if a true claimant comes forwards, will be available to them. Fenn Wright LLP request that the receiving charity should offer an indemnity to enable us to recover a donation in the event of a claim.

#### Treatment of Funds – Payments

Fenn Wright LLP will only use each client's money only for that client's matters.

Payments to clients are initiated as soon as possible once there is no longer any reason to retain those funds.

All payments from client money accounts are made to or on behalf of a client and on that client's written instructions or as agreed in the management agreement. Before payments are made checks and controls are in place to ensure there are sufficient funds in place before making any payment from any client account.

Any banking maintenance and UK transactional banking costs are settled by Fenn Wright LLP and not charged to the client accounts.

Payments are set-up by the Finance team and approved by an Equity Partner of the firm through a banking platform. Where payments are made by cheque, two signatures are required in accordance with the bank mandate.

Changes to bank payment details are requested in writing from a known email address belonging to the client, and may be followed by a confirming telephone call.

#### Treatment of Funds – Records and Controls

Bank reconciliations are completed on a daily, weekly or monthly basis on all accounts. Bank reconciliations are reviewed monthly by a principal or senior staff member of Fenn Wright LLP.

Fenn Wright LLP ensure that accounting records and systems are appropriate to the nature and volumes of client account transactions. The systems used provide details of all money received, paid and balances held by Fenn Wright LLP in client money accounts. Reports and/or summaries of transactions held can be created upon request for each individual client.

In the unlikely event that controls are insufficient, and a client account becomes overdrawn, the balance of the overdrawn funds are immediately transferred from other Fenn Wright LLP accounts. An investigation into the control failures is carried out with a senior staff member and rectification of the issue is completed as soon as possible. Controls and processes are reviewed to avoid client accounts becoming overdrawn for the same reason.

Client Monday Handling Procedures are available on our website, copies are available free of charge on request by any person who may reasonably require a copy.

Fenn Wright LLP's accounting systems and client data are suitably protected by internal controls alongside firewalls, back-ups and disaster recovery which is managed by a professional third-party.