



This is to certify that

Property Partners Management Limited

RICS Firm Number 036680

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, in addition to;
- an annual aggregate limit of £10,000,000 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.

Valid From : 02 April 2020

Valid Until : 26 March 2027

SENIOR EXECUTIVE OFFICER,
STANDARDS AND REGULATION

Client Money Handling Procedures

At Property Partners Management Limited we take our responsibilities for managing our clients' money very seriously and want to give our clients assurance that their funds are protected and safe.

This document outlines the key principles and procedures we have to handle client money.

Overview

We have designed our procedures and processes for managing client money in line with the RICS professional statement "Client Money Handling" 1st edition October 2019.

Property Partners Management Limited or PPML (RICS Registered Firm No. 036680) is a member of the RICS Client Money Protection Scheme.

We consider the following to the core objectives of our approach to handling client money:

- To safeguard the funds entrusted to us by our clients
- To maintain accurate accounting records in respect of our clients' money
- To provide clarity and transparency of the approach we adopt to our clients

Definition of client money

We consider client money to encapsulate the following:

- Any currency (whether cash, cheque, draft or electronic transfer) that we hold or receive on behalf of our

clients as part of the delivery of our services.

- Excluding amounts which are immediately due and payable on demand.

How and where client money is held

In relation to client money we hold or receive, the following conditions apply:

- All client money is held in designated discrete client specific money accounts.
(i.e. they are unique to individual clients) and are used to hold client money relating to the relevant client.
- All bank accounts utilised by PPML for client money are exclusively controlled by PPML
- All bank accounts utilised by PPML for client money are provided by an appropriate banking institution authorised by the Prudential Regulatory Authority (PRA) or the Financial Conduct Authority (FCA).
- All client money accounts are solely utilised for client money and do not include office money (i.e. funds relating solely to PPML's own business).
- All discrete accounts include the word client and the name of the client in the title of the account.
- All client money held is available on demand.

Access to funds

Access to client money accounts is restricted to specific individuals, who possess an appropriate level of experience

All payments out of client money accounts require approval by at least one named individual on the bank mandate.

Access to the e-banking systems is limited to such individuals, as well as the Cash Management team.

All bank mandates are reviewed on at least an annual basis and approved by a member of senior management.

Timescales for payment into client accounts

Electronic transfers of client money are made directly into a common account and subsequently allocated to the relevant discrete accounts. Receipts are reviewed on a daily basis to support this process.

Where money is received by cheque, these are logged and recorded. Cheques are banked on at least a weekly basis.

Cash payments directly into client accounts are not accepted. Where cash is received in the delivery of our services to clients (e.g. income relating to a car park), this is collected and banked on a regular basis, using third party security companies where appropriate.

Unallocated cash is reviewed regularly by the Cash Management team, with items remaining unallocated for 28 days returned to the sender. Any unallocated cash returned through this process requires approval from at least one individual on the relevant bank mandate.

Payment authorisation

As noted above, access to the bank accounts are limited to appropriate and authorised individuals.

All payments made from client money are made to or on behalf of the relevant client, in line with the agreed service delivery (e.g. as documented in a Property Management Agreement (PMA)). Payments for management fees are made in line with agreements for each individual client.

Payments are made via electronic transfer (e.g. FPS, BACS or CHAPS) wherever possible, but in all cases of payment, the payment requests must be supported by appropriate evidence (such as the original invoice) and approved by the relevant individuals. Additional controls are in place to restrict other methods of access to funds (e.g. restrictions on withdrawals).

No payments are made unless there are sufficient funds held to cover the payment.

Segregation of duties is in place between the teams and individuals involved in client accounting, data management, accounts payable and payment approval.

Interest and bank charges

The bank accounts used to hold client money are interest bearing accounts, for which PPML cover all bank charges (including transaction fees and account maintenance charges). PPML is also entitled to retain any interest earned through the aggregation of client money within the common accounts to offset general bank charges and administration costs associated with operating the relevant bank accounts (in line with specific client agreements, such as the PMA). Discrete accounts are credited with interest at the agreed rate and interval.

Bank account reconciliations

Records are maintained for all discrete accounts maintained by PPML , including an audit trail of transactions for each account.

All discrete accounts are reconciled on at least a monthly basis between the cash book, bank statements and general ledger by a member of the Bank Reconciliations team, with an independent review undertaken for each reconciliation.

Reconciling items identified are investigated with the relevant teams (e.g. Client Accounts) to identify actions required to resolve them, where necessary. Levels of reconciling items are monitored and reviewed using monthly key performance indicators (KPIs).

Information provided to clients about client money

For all clients, we advise the clients in writing of the bank account details (account name and details of the bank) and agree the terms of the account handling, including arrangements for interest and charges .

Reporting arrangements are agreed individually with each client to meet their needs, but typically include regular financial reporting and details of the client money held by PPML on their behalf.

If we receive funds where the client or purpose is not immediately identifiable, we will initiate a formal investigation to determine the source of the funds. This process may include:

- Reviewing recent and historical transaction records
- Contacting parties who may be associated with the payment
- Attempting to trace the origin of the payment through our banking provider
- Cross-referencing with our client accounts and accounting systems

We maintain a comprehensive log of all unidentified client funds. This record includes:

- The amount and date of the funds received
- A narrative of all steps taken to identify the source of the funds
- Any correspondence or documentation relevant to the investigation
- Final resolution of the case

This register is retained in accordance with our document retention policy and is available for inspection as required.

We will actively monitor all unidentified funds and review the case regularly. During this time, we may attempt to:

- Trace the payer through the banking system (e.g. using the sender's account reference)
- Contact relevant stakeholders or past clients for clarification
- Cross-reference with overdue accounts or outstanding transactions

We aim to resolve unidentified funds as quickly and efficiently as possible.

If, after a period of **three years**, we are still unable to identify the origin of the funds despite reasonable investigation, the funds will be:

- **Donated to a registered UK charity, and**
- **An indemnity will be obtained** to cover the possibility of a future claim by the rightful owner

This resolution will be fully documented, including the charity details and indemnity terms.

In the event that any client money is misappropriated, we take prompt action to inform RICS, the client affected and our insurers. Any such event is suitably investigated with remedial action taken where required.

Disputes or complaints

Whilst we endeavour to avoid disputes wherever possible, we recognise that occasionally when dealing with our clients, we may do or omit to do something that gives rise to dissatisfaction, disappointment or a complaint. In such circumstances, we want to put things right and improve our service.

Typically, such instances are addressed via day-to-day contract management or client interactions, however, specific arrangements for individual clients are agreed as part of our client agreements (e.g. defined within the PMA).

In addition to the above, PPML has a defined Complaint Handling Procedure (in line with the RICS Rules of Conduct) to respond to and address written complaints.