

## Dauntons Soar Management Limited Client Money Handling Procedure

Governance/Version Control	
Version	0923
Approved by	
Policy Owner	David Broome
Date Last Reviewed	September 2023
Review Frequency	Annually
Next Review Date	September 2024

### **Objective**

The objective of this Client Money Policy is to ensure the proper handling, protection, and accounting of Client Money in accordance with the RICS Code of Conduct and the rules of ARMA.

### **Scope**

This policy applies to all Client Money held by Dauntons Soar Management Limited (“the Firm”).

### **Definition of Client Money**

“Client Money” refers to any funds received by a Firm over which it has control, but which does not belong to it. Such funds may be received from leaseholders, clients or tenants. Client Money may include service charge funds, ground rent, deposits, and rental income, and any other monies entrusted to the Firm during its business.

### **Protection of Client Money**

As set out in this Policy, the Firm shall maintain adequate safeguards to protect Client Money from loss, theft, or misuse. This includes implementing robust financial controls, secure systems, and appropriate insurance coverage.

### **Designated Client Account**

All Client Money shall be held in specifically designated, client account, separate from the Firm's own funds. These accounts are held at Barclays, with the client account being identified as such.

### **Appointment of a Client Money Handler**

The Firm shall appoint a designated individual as its Client Money Handler, responsible for the day-to-day management and control of its Client Money. This individual shall generally be the Accounts Assistant. The Client Money Handler shall put processes in place to ensure that no individual client account shall ever be overdrawn.

### **Client Money Receipts and Payments**

All Client Money received by the Firm shall be promptly recorded and deposited into an appropriately designated client account. This client account may be specific to a development, or a pooled client account. Electronic receipts are to be posted by the end of the business day following their receipt. Cheques received are to be banked within two business days. Should any deposits be made after these deadlines, the Client Money Handler shall investigate the causes of the delays and consider adjusting working practices or resourcing accordingly.

All payments will be subject to an independent authorisation according to the “four eyes principle”, whereby at least one of those approving an invoice cannot authorise its payment. All payments made from the client account shall be properly authorised by a principal or a senior employee. Larger payments shall require dual authorisation as set out in the delegated authority matrix. A payee’s bank details will be independently checked against the Contractor Accreditation Scheme register before payments are released to that recipient.

Any surplus funds will be promptly returned to their source in accordance with industry best practice.

Generally, client funds that cannot be allocated to a specific Client Account will be returned. However, a Client Suspense account may be maintained to hold certain old or unidentified client funds. Records of investigations to trace the beneficiary of these funds are retained. If all avenues to locate the beneficiary have been exhausted, then the funds must be donated to a registered charity, after a three-year period. In this case, the Firm must obtain a receipt and an indemnity from the charity.

#### **Record Keeping and Reconciliation**

The Client Money Handler shall ensure that comprehensive records of all Client Money transactions are maintained in the accounting system, with supporting documentation being retained. This includes all receipts, payments, and interest earned. In particular, a breakdown of the pooled client account is to be maintained, to show the funds being held for each development.

All client accounts (including the pooled and suspense accounts) shall be reconciled at least monthly, to ensure the accuracy of records and identify any discrepancies. These three-way reconciliations shall reconcile the system balance to the bank statement, as well as to the total of the client ledger balances.

A Principal (or a senior independent member of staff) shall independently review these reconciliations, with this review being evidenced in writing. These reviews shall ensure that all reconciliations are accurate and that any historic items are resolved on a timely basis. Records of these reconciliations evidencing their review shall be retained for six years.

#### **Interest on Client Money**

Where applicable, any interest earned on Client Money held in the designated client account shall be dealt with in accordance with the RICS guidelines and the management agreement with the client. Should these be inconsistent, the rule most beneficial to the client will prevail.

#### **Reporting and Compliance**

The Firm shall prepare regular reports on the handling of Client Money, which shall be made available to clients upon request. Additionally, the Firm shall ensure compliance with all relevant legal and regulatory requirements related to Client Money handling.

### **Training and Awareness**

All employees handling Client Money shall receive appropriate training on this Client Money Policy, ensuring they understand the obligations, responsibilities, and procedures outlined within it.

### **Review and Monitoring**

The Client Money Policy shall be periodically reviewed, including to ensure its compliance the RICS Code of Conduct, the regulations of ARMA and any applicable regulations. Regular monitoring and internal audits shall be conducted to identify and rectify any shortcomings.