

Stiles Harold Williams Partnership LLP (SHW) – Client money handling procedures

The following document sets out our procedures in respect of handling Client money, which should be read in conjunction with the RICS Client Money Handling Professional Statement and the RICS Client Money Protection Scheme rules. As a member of RICS, SHW complies with the 'Rules of conduct for members' and the 'Rules of conduct for firms'. As set out in those rules, SHW preserves the security of the client's money entrusted to our care in the course of our business.

1. Bank arrangements

All client monies are held in designated Client accounts with Barclays Bank Plc (Barclays), unless a client specifically requests otherwise. This document applies only to client monies held at Barclays. Provisions with regards to monies held at other banks are specific to the clients concerned and are controlled separately, although the general principles are the same.

Client monies deposited with Barclays are held at 1 Churchill Place, London E14 5HP, United Kingdom. On opening a new account, all clients are provided with the account details of where their funds are held, the type of account, the interest arrangement, and provided with a copy of this document. Where SHW holds a rent deposit on behalf of an occupier, we will provide them with the account details, the type of account, the interest arrangement and the relevant extract from this document.

2. Types of accounts held

There are three types of bank accounts held:

- General Client Accounts
- Virtual Account Management Client Sub-Accounts (VAM Accounts)
- Property-specific accounts held outside of the VAM Account Solution

2.1 General client accounts

There are two general client accounts held:

SHW Client account No 1

- All electronic and cheque receipts are received/banked into the Client No 1 Account. The purpose of this account is to provide a central account where receipts can be processed and payments made. The resulting information creates a transfer to be made to/from Client account B and recorded in the individual designated VAM accounts.
- Any general bank charges incurred on the Client No 1 Account are settled by SHW.
- Cleared funds are transferred daily from the Client No 1 Account to the VAM accounts for Service Charge and Reserve funds.
- The only monies retained in the Client No 1 Account are Owner rents awaiting transfer to the client and those which cannot immediately be allocated to the correct client, property or occupier. Some examples of these are shown below:
 - It is not clear to which client, property or lease the money relates;
 - The tenancy to which the money relates is currently 'on stop' or 'in breach';
 - The charges to which the money relates have already been paid and approval is being sought to return;
 - The identity of the payer differs from the name on the lease and there is no approved 'alias' for the name of the payer.
- A bank reconciliation for the Client No 1 Account is produced on a daily basis.
- Reconciliations between the client ledger, cashbook and bank account are maintained frequently, minimum monthly, in accordance with RICS regulations and our ISO 9001 controls.

SHW Client account B

- The purpose of the Client Account B is to hold all funds for the VAM accounts as detailed below (2.2).
- Monies for payments are transferred from the appropriate VAM Account to the Client account B and thereafter from B to 1 on the day the transactions are processed for payment from SHW client account 1.
- A bank reconciliation for the Client Account B is produced on a daily basis
- Reconciliations between the client ledger, cashbook and bank account are maintained frequently, minimum monthly, in accordance with RICS regulations and our ISO 9001 controls.
- Any interest earned on the Client Account B is apportioned to clients after offsetting costs arising from processing payments.

2.2 VAM Client sub-accounts (VAM Accounts)

- VAM Accounts are a specific type of bank account held and managed through the Barclays multi-account platform and receive funds from Client Account B
- VAM Accounts are operated for all clients and segregated by client.
- The balance of money held in respect of each individual client is recorded separately, both within the VAM Account records and within the client ledgers of the relevant SHW Property Management Accounting system.
- All client monies service charge and reserve funds are maintained in these accounts except for the overnight balance held on the Client No 1 Account, and 'spent' funds transferred to the Client No 1 Account as detailed above.
- Discrete accounts are credited with interest at an agreed rate and interval, details of which are confirmed to our clients and occupiers on the opening of each individual account.
- Separate bank statements are produced in respect to each individual VAM Account.
- Formal bank reconciliation for the Client Account B is produced at least monthly in accordance with RICS Clients' money regulations. Bank reconciliations between the client ledger, cashbook and bank account are also carried out on a monthly basis.
- Within the Barclays VAM Account solution, monies can only be transferred:
 - Between other VAM accounts;
 - To or from Client Account B.

2.3 Property-specific accounts

- Where agreed with a client, SHW may set up and operate a property-specific designated client account. There are kept outside of the VAM account solution, for the purposes of managing:
 - Notice accounts
 - Direct Debit facilities as directed by the client
 - Segregation of Funds by Bank

3. Transfer of monies to client

- All identified monies received directly into the Client No 1 Account are transferred to the appropriate VAM Account(s) for service charge and reserves on a daily basis and treated as cleared funds on day three.

- Cheques are banked into the Client No 1 Account on day one and are usually treated as available for transfer to the client on working day three.
- The timing and amount of transfers of rent to clients will be agreed with them on an individual basis.
- Transfers to clients of cleared rent funds are typically processed daily or every other working day around the month end period. Outside of the month end period, transfers are typically processed as agreed by prior arrangement.
- Transfers are usually remitted by Next Day payment, unless an alternative arrangement has been agreed. The current charge for processing CHAPS payments is £50.00 per transfer.
- International transfers are usually remitted as Urgent Payments with same-day clearing. The bank charge is dependent on the currency and location of the receiving bank and is shared between SHW and the beneficiary. SHW is not responsible for any currency exchange rates and all international transfers are sent in GBP unless an alternative arrangement has been agreed.
- Cheques cleared for 'fate' (i.e. they are unlikely to be returned) are usually available for transfer two working days after banking. However, it is sometimes possible for cheques to be returned unpaid by the drawer's bank after funds have been transferred to our clients' bank account. In such cases, SHW reserves the right to request immediate funding to correct the position.

4. Payment to suppliers

- All payments to third-party suppliers and contractors are made in respect of approved invoices, only in accordance with our delegated authority and internal approval limits.
- Payment runs are typically carried out on a weekly basis, with our preferred method of payment being Next day payment.
- SHW does not utilise cheques for payment on any client accounts.

5. Client account conditions

Barclays has agreed in writing that:

- All monies standing to the credit of SHW Client accounts are Clients' money;
- There is no legal right of set-off of the monies in any Client account against any other SHW corporate account, nor are they entitled to combine any Client account with any other account.

6. Other

- CHAPS payments can be made from discrete Client bank accounts as recognised by Barclays based on documentation signed in accordance with the bank mandate.
- No physical cash payments will be made or received by SHW into our Client accounts. Should any cash be accepted directly by a Barclays bank branch, this will be reported to our Money Laundering Reporting Officer for investigation and subsequent approval or rejection.
- Unidentified funds received into SHW Client Account no 1 will be returned to source. Should return to source fail these amounts will be held for a period of three years prior to sending to charity. The charity agrees that within three years of receiving funds they will return the funds should the owner of these funds make themselves known. The charity will return these funds for payment to owner within 3 months.
- SHW reserves the right to vary the terms and conditions of these banking arrangements.