

CLIENT MONEY HANDLING PROCESS

This document has been prepared to evidence what we do as a firm to conform to best practice in-line with the general advice for firms provided by RICS.

Client Bank Accounts

We currently hold general and discrete client money accounts in the form of live client bank accounts with Royal Bank of Scotland.

When operating a discrete client account, the account is opened in the name of the relevant client. The name of the account will include the client name and begin with Client. Our general client money account is in the name of Ryden Clients Main Client Account. Our Tenant Deposits are held in the name of Ryden LLP Client Monies Service Deposit Account.

Our general client money accounts are interest bearing accounts, interest is retained by Ryden, as documented within our terms and conditions. Where client money is held in a discrete account interest is either retained or sent to the client depending on the terms and conditions within the management agreements. Tenant deposit monies are held in our general CMS account and the interest is accrued to the individual tenants.

Client Accounting Systems and Controls

Accounting and property management data is held on the Qube software system. The system is structured to ensure adherence to RICS regulations where client monies are being processed.

For each of the clients that are linked to the general client money account, the account is reconciled on a monthly basis to ensure that all funds are processed correctly and the correct running balance for each client is maintained.

When monies are processed against a client account the transaction can be easily identified and attributed to the relevant ledger. Unidentified receipts are posted to our suspense account, this account is reviewed weekly by all property management accounts staff and surveyors, if the funds remain unidentified they are returned to sender after 4 weeks.

Client balances can be reviewed at any point in time with immediate effect. All monies that are processed against general and discrete client money accounts are available on the system immediately. When cheques and direct debits are received they are subject to their respective clearance cycle.

The Qube system has a compulsory function to prevent client balances going overdrawn in line with RICS guidelines. On a weekly basis a report is generated to check if any clients have gone overdrawn on the property management accounting system. This is communicated accordingly and the relevant corrective action is taken to address the overdrawn client balance. There are adequate banking controls in place that prevent any physical client bank accounts going overdrawn.

At each month end a reconciliation is completed for the general client money account. These reconciliations comprise of the bank balance and the cashbook balance, each discrete account is reconciled using the bank balance, the cash book balance and the individual client balance.

Any issues that are highlighted during this process are documented, reviewed and communicated accordingly to ensure effective resolution.

Bank Reconciliations

All general client money accounts are reconciled monthly. The reconciliation process followed agrees the current client money account balance to the cashbook balance on the Qube system. Each reconciliation documents all money transactions that have been recorded on the property management accounting system against all transactions that are on the general client money account cashbook (processed on the property management accounting system) yet not processed by the bank. The reconciliation is supported by the relevant banking statements and system reports that detail the balance.

All discrete client money accounts are reconciled monthly. The reconciliation process followed agrees the discrete client money accounts bank balance to the cashbook balance and the funds balance on the relevant client. The reconciliation is supported by the relevant banking statements and system reports that detail the balance.

All reconciliations that are completed are reviewed and authorised by the appropriate senior member.

During the reconciliation process all historic items are reviewed to ensure that any un-presented cheques are stopped at the bank and cancelled on the property management accounting system within 6 months. All bank reconciliations are saved electronically and are held for a minimum of 6 years.

Controls over the Receipt of Client Money

All post received within the property management offices is opened by either an administrator or a member of the accounting team.

All cheques received are logged and daily bank statements are uploaded to identify all monies that have been received the prior working day. All funds that are received are recorded on the property management accounting system, ensuring all cash received is reconciled.

Should monies be received into any general client money accounts that represents firm monies then these are transferred immediately into the Ryden's firm account.

Any cheques that are received and are not banked on the appropriate day are held in a secure location within each of the accounting centres.

Controls over the Payment of Client Money

Prior to any payments being made against a client ledger our internal controls and system controls prevent any payments being made where there are not sufficient funds to cover the transaction. For each of our bank accounts we hold an appropriate mandate that lists all the authorised signatories that can either sign cheques or approve payments electronically through our internet banking providers. Every payment that is made through our client money accounts is subject to the relevant approval and supported by authorised paperwork.

General Accounting Procedures

For all our accounting processes we adhere to specific procedures that ensure compliance with RICS regulations. These procedures continually evolve depending on client requirements and property management accounting systems used.

