

POLICY AND PROCEDURES FOR THE RECEIPT AND BANKING OF CLIENT AND FIRM MONEY - CHEQUES

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1. Introduction

The firm is obliged to have written procedures on the handling of client and firm money in order to comply with RICS regulations and the provisions of our PI policy. The firm also wishes to ensure that there is a culture of best practice in the handling of client and firm money throughout the firm. These procedures deal with the receipt of client and firm money. There are separate procedures for the expenditure of client and firm money and card transactions.

2. What is client money?

Client money is any money received by the firm in the course of its business activities that does not wholly belong to the firm or any partner of the firm.

Client money includes:

- Rents for client properties
- Service charges for client properties
- Tenants' deposits for client properties
- Interest credited to a client account (unless the firm has the written agreement of the client that the interest can be retained by the firm)
- Fee money taken in advance
- Arbitration fees
- Client money held but due to be paid to contractors
- Sale proceeds and deposits

3. What is firm money?

Firm money is any money received by the firm which belongs to the firm or a partner of the firm. Firm and partner money includes:

- Money properly held in the firm account
- Money received for payment of fees after a fee invoice has been issued
- Interest credited to the firm account and any client account where the client has agreed in writing that the firm may retain the interest
- Any money held on behalf of a partner in an account with the firm
- Rents received for firm properties
- Tenants' deposits for firm properties

4. Receipt, recording, banking and reconciliations

There are 3 parts to the process covered by this procedure:

- **Receipt and recording** of cheques– **to be carried out in local office**
- **Banking** of cheques– **to be carried out in local office**
- **Reconciliations** of cheques– **to be carried out by Ayr, Perth and Inverness accounts departments**

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To comply with RICS regulations and our PI insurance policy it is essential that each part of the process is carried out by **different people**.

5. Receipt of cheques

5.1 No incoming mail received by post, courier or by hand may be opened by any member of staff having an accounting function.

5.2 A receipt signed by one member of staff and the payer must be issued on receipt paper using the receipt template for all hand delivered cheques.

5.3 No mail may be passed unopened to any member of staff. All “private and confidential” other than “private and confidential” mail addressed to partners, the business manager and the Director of Client Accounting and the Finance Director will be opened. If any “private and confidential “ mail addressed to any of the foresaid contains any cheques these must be passed immediately to the person in the office responsible for recording the receipt of cheques on the citrix spreadsheet. Any item of mail which includes a cheque must not be left on the desk of a member of staff or partner who is out of the office for the day or on holiday and must be passed to a colleague who is in the office to be dealt with.

5.4 If a cheque is received by a member of staff out of the office then the member of staff who accepts the cheque must issue a handwritten receipt to the payer. The receipt should be signed by the member of staff and the payer and handed to the payer. On return to the office the cheque must be passed immediately to the person in the office responsible for recording the receipt of cheques on the citrix spreadsheet. A further receipt must then be issued to the payer on receipt paper using the receipt template.

5.5 Any cheques which do not have the payee details completed must be returned to the payer for completion.

5.6 If a cheque contains an element of firm money as well as client money then the different elements of the payment must be identified when the cheque is received or as soon as possible after receipt.

5.7 All cheques, including cheques issued by our own accounts departments which we are responsible for banking, must be passed immediately to the person in the office responsible for recording the receipt of cheques on the citrix spreadsheet.

Cash payments cannot be accepted in any circumstances.

6. Recording of cheques

6.1 All cheques must be scanned and saved in the banking folder for each office on citrix by the person recording the receipt of cheques on the citrix spreadsheet. This includes all cheques which we receive for a third party and which will leave the office without being banked.

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6.2 Cheques must be recorded on the citrix spreadsheet on the day of receipt. All fields on the citrix spreadsheet must be properly completed.

6.3 All firm money post-dated cheques must be recorded on the citrix spreadsheet and then posted by first class post to Ayr accounts where they will be kept securely and then banked on the date of the cheque.

6.4 All client money post-dated cheques or cheques, where there are specific instructions from a partner not to bank, must be recorded on the citrix spreadsheet and then held securely in the accounts department or posted by first class post to the relevant accounts department where they will be kept securely and then banked on the date of the cheque (for post-dated cheques) or banked when a partner gives instructions to bank.

6.5 All supporting documentation received with cheques must be scanned and saved in the appropriate folder on citrix. When a cheque payable to a third party leaves the office the cheque and any outgoing correspondence will be saved in the third party folder on citrix by the person sending the cheque.

7. Banking of client and firm money

7.1 Cheques which include both CKD firm funds and client funds must be banked into a General Client bank account.

7.2 All cheques must be banked within 3 working days of receipt unless they are post-dated cheques or cheques being held in accordance with instructions from a partner. All post-dated cheques must be banked within 3 working days of the date on the cheque and all cheques which are being held in accordance with instructions from a partner must be banked within 3 working days of the date that the partner authorises the banking of the cheque.

7.3 The person responsible for the banking of cheques in each office is responsible for completing the cheque information on the pay in books or slips. In offices with no accounts department the person responsible for the banking of cheques must liaise with the appropriate accounts department who will provide the sort code and account number for the appropriate account.

7.4 If a payment contains an element of firm money as well as client money then the different elements of the payment must be identified when the payment is received or as soon as possible after receipt.

7.5 Two members of staff must bank cash payments in excess of £2000.

7.6 Each office will bank cheques at the bank closest to each office.

7.7 Any fee payments paid by cheque which are received before an invoice is issued must be treated as a client account payment and paid into the appropriate client account.

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8. Reconciliations

Ayr, Perth and Inverness accounts departments will reconcile all pay ins for the clients dealt with by that accounts department with the citrix spreadsheet on a daily basis. Ayr accounts department regularly reconciles payins with funds received for offices without account departments.

9. Processing Procedures

Detailed processing procedures are contained in the Appendix of this Policy.

10. Auditing

This procedure forms part of ISO 9001 and will be subjected to both internal and external auditing on a regular basis and will also form part of any RICS finance audit. Non-compliance by a member of staff may be dealt with as a disciplinary matter.

11. Review

This procedure will be reviewed at appropriate intervals.

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Appendix

I. Opening the post

1.1 All cheques must be recorded on Citrix in “Funds Received” for your Office including Post-Dated and payable to a Third Party which is in [V:\00 - Banking\Office\Year\Funds Received.xls](#). When a Post dated Cheque is received a “Y” should be entered in the “Post Dated Cheque” column. **Please ensure the same format is maintained for each column, thus being able to use the functionality of Excel to filter the column, this is necessary for reconciliation purposes.**

1.2. When all the cheques have been recorded, the cheques require to be scanned into [V:\00 - Banking\Office\Year\Scan of Funds\Month](#). Please set up month folders in the format 01-Jan, 02-Feb etc so that they are listed in date order. Creating a new folder for each day being a 2 digit number only ie 01, 19. Checking that the number of cheques on the Funds Received Spreadsheet agrees to the number of documents in the Scan of Funds Folder for the day.

2.Pre-numbered Receipts

2.1 All receipts must only be printed on pre-numbered paper for your Office.

2.2 · The copy of the receipt must be scanned into the Receipts Master file which is in [V:\00 - Banking\Office\Year\Master Receipts](#) and named the Receipt number.

2.3 If printer jams or receipt when printed is wrong this must be scanned into the folder and the next numbered receipt used.

2.4 If unable to print receipt, a handwritten receipt on pre-numbered paper is acceptable.

3. Receipt of Cheques Received in Person in Office

3.1 . Receipt should be produced from Gemini or from Word, the template is in [V:\00 - Banking\Office\Receipt Template.doc](#). Only one staff signature is required. This must be printed on the pre-numbered paper. A copy retained for our records and original issued to payer.

3.2. The copy of the receipt must be scanned into the Receipts Master file which is in [V:\00 - Banking\Office\Year\Master Receipts](#) and named the Receipt number.

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3.3. The cheque with the copy of the receipt should be passed to the person in the Office responsible for recording the cheque on the Funds Received Spreadsheet on Citrix.

4. CKD Galbraith Funds, Offices with Accounts Departments

4.1 We must ensure that we only Bank Funds that relate to CKD Galbraith and NOT all cheques that are payable to CKD Galbraith into CKD Galbraith’s Bank Account.

4.2 CKD Galbraith Payin Slip to be completed. A Fee Number or Job Number must be entered, in order for the funds to be allocated to the correct Client within CKDG Sales Ledger. Please ensure that the Total Amount Banked equals the Total Amount in the Breakdown. The completed Payin Slip to be saved in [V:\00 - Banking\Office\Year\CKD Galbraith Payin Slip](#), the file should be named the Payin Number.

4.3. Complete the CKDG Payin Book which all Offices have. Replacement Payin Books may be obtained from Linda King (Ayr).

4.4. When the funds have been Banked, all columns MUST be completed relating to the Banking part of the Funds Received Spreadsheet expect for the column “Checked By”. This column is completed when the funds have been received in the Bank Account.

4.5. Email Linda King with a Hyperlink to the Payin Slip and a scan of the cheque in order for the funds to be allocated within CKDG Accounts.

5. Banking Client’s Funds into Lettings Accounts, Offices with Accounts Departments

5.1 Lettings Payin Slip to be completed and the transactions will be entered by Ayr Accounts. Please ensure that Total Amount Banked equals the Total Amount of the Breakdown. This should be saved in [V:\00 - Banking\Office\Year\Lettings Pay-In Slip](#) by Payin Number for your Office. All columns on the Payin Slip should be completed. Please ensure that you enter the cheque number in the column headed “Cheque No.

5.2 Complete the Lettings Payin Book which all Offices have. Replacement Payin Books can be obtained from Catherine Thomson (Ayr)

5.3 When the funds have been Banked all columns MUST be completed relating to the Banking part of the Funds Received Spreadsheet expect for the

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column “Checked By”. This column is completed when the funds have been received in the Bank Account.

5.4 Email a Hyperlink to the Payin Slip and a scan of the cheque in order for the funds to be entered in Gemini.

6. Banking Client’s Funds, Offices with Accounts Department

6.1 We must ensure that the Client’s Funds are banked in the correct Bank Account. The appropriate Payin Slip is to be completed for the correct Bank Account. If you are not sure which Bank Account please contact the appropriate Accounts Department **BEFORE** banking the Funds.

6.2. Daily when the Payin Books are returned from the Bank, they are given to the correct member of staff to check the banking reconciles with the Funds Received Spreadsheet.

6.3. The member of staff who is responsible for No 2 above should complete the “Checked by” column on the Funds Received Spreadsheet.

7. CKD Galbraith Funds, Offices without Accounts Departments

7.1 We must ensure that we only Bank Funds that relate to CKD Galbraith and NOT all cheques that are payable to CKD Galbraith into CKD Galbraith’s Bank Account.

7.2 CKD Galbraith Payin Slip to be completed. A Fee Number or Job Number must be entered, in order for the funds to be allocated to the correct Client within CKDG Sales Ledger. Please ensure that the Total Amount Banked equals the Total Amount in the Breakdown. The completed Payin Slip to be saved in [V:\00 - Banking\Office\Year\CKD Galbraith Payin Slip](#), the file should be named the Payin Number.

7.3. Complete the CKDG Payin Book which all Offices have. Replacement Payin Books may be obtained from Linda King (Ayr).

7.4. When the funds have been Banked, all columns **MUST** be completed relating to the Banking part of the Funds Received Spreadsheet expect for the column “Checked By”. This column is completed when the funds have been received in the Bank Account.

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7.5. Email banking@ckdgalbraith.co.uk with a Hyperlink to the payin slip, a scan of the cheque and any supporting paperwork by close of business on the day funds are banked in order for the funds to be allocated within CKDG Accounts.

8. Banking Client’s Funds into Lettings Accounts, Offices without Accounts Departments

8.1 Lettings Payin Slip to be completed and the transactions will be entered by Ayr Accounts. Please ensure that Total Amount Banked equals the Total Amount of the Breakdown. This should be saved in V:\00 - Banking\Office\Year\Lettings Pay-In Slip by Payin Number for your Office. All columns on the Payin Slip should be completed. Please ensure that you enter either the cheque number in the column headed “Cheque No.

8.2 Complete the Lettings Payin Book which all Offices have. Replacement Payin Books can be obtained from Catherine Thomson (Ayr)

8.3 When the funds have been Banked all columns MUST be completed relating to the Banking part of the Funds Received Spreadsheet expect for the column “Checked By”. This column is completed when the funds have been received in the Bank Account.

8.4 Email banking@ckdgalbraith.co.uk with a Hyperlink to the payin slip, a scan of the cheque and any supporting paperwork by close of business on the day funds are banked in order for the funds to be entered in Gemini.

9. Banking Client’s Funds, Offices without Accounts Department

9.1 We must ensure that the Client’s Funds are banked in the correct Bank Account.

9.2 The appropriate Payin Slip to be completed for the correct Bank Account. If you are not sure which Bank Account please contact the appropriate Accounts Department **BEFORE** Banking the Funds.

9.3 The Payin Slips must be saved in V:\00 - Banking\Office\Year\Clients Payin Slip. Please set up month folders in the format 01-Jan, 02-Feb etc so that they are listed in date order. Creating a new folder for each day being a 2 digit number only ie 01, 19. The format for saving these slips should be “date, month,number” ie if you have 3 payins on 28 March, files would be saved within folder 03-March then 280311,280302 & 280303.

9.4 Complete the Banking part of the Funds Received Spreadsheet when the funds are Banked expect for the column “Checked by”. The Payin number should be the file name as in 3 above.

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9.5 The stamped Receipt from the Bank should be saved in the same folder as in 3 with a “R” in front of the same file name ie R280301, R280302 & R280303.

9.6. Any paperwork received with the receipt should be scanned and saved in [V:\00 - Banking\Office\Year\Paperwork](#) with the same file name as in 3 above.

9.7. When the funds have been Banked please email banking@ckdgalbraith.co.uk with a hyperlink to the payin slip, a scan of the cheque and any paperwork scanned onto the system before close of business on the day the funds are banked.

10. Post Dated Cheques

11.1 Post dated cheques for CKDG (Firm Funds) should be posted by First Class mail to the Ayr Office with any relevant paperwork received. The date when the cheque is posted to Ayr should be entered in the “Post Dated Cheque” column on the Funds Received Spreadsheet.

10.2 Post dated cheques for Client Funds should be posted by First Class mail to the relevant Accounts Office with any paperwork received. The date when the cheque is posted to the relevant Accounts office should be entered in the “Post Dated Cheque” column on the Funds Received Spreadsheet.

10.3. These cheques should be kept in a Safe or locked drawer by the relevant Office until Banked.

11. Cheques Payable to a Third Party

11.1. These cheques must be kept in a Safe until required to be posted not on Staff desks.

11.2. When the cheque is posted to the Third Party the cheque and outgoing correspondence must be saved in [V:\00 – Banking\Office\Year\Third Party](#) for your Office. The name of the file should be “yyyymmdd name of person the cheque is going to”, the date is the posting date ie 20140114 South Ayrshire Council. This file should be entered as a hyperlink in the column “Hyperlink Correspond” on the funds Received Spreadsheet.

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