

Client Money Handling Procedure

Definition of client money

The Clients' Money Regulations define clients' money as money of any currency (whether in the form of cash, cheque, draft or electronic transfer):

- which a firm holds or receives for or from a client, including money held by a firm as stakeholder, and
- which is not immediately due and payable on demand to the firm for its own account.

The regulations require clients' money to be held in the currency in which it was received unless the client instructs otherwise in writing.

Fees paid in advance for professional work agreed to be performed and clearly identifiable as such are not regarded as clients' money for the purposes of these regulations. In addition to any requirements of the Money Laundering Regulations 2007 concerning the verification of a new client's identity, the regulations require firms to verify the identity of a client before they hold money on that client's behalf.

Segregation

Client money is held in a separate Barclays bank account designated as a client account, distinct from Avignon's own business accounts.

Avignon ensure that client money accounts are designated as such and easily distinguished from other accounts i.e. the account name will be in the format "Avignon Property Management Ltd [insert client name] Designated Client Account".

Designated client accounts cannot be combined with, or transferred to, any other account maintained by Avignon, and the bank shall not be entitled to exercise any right of set off or counterclaim against money in client accounts in respect of any sum owed to it in respect of any other account Avignon.

Prompt Allocation

Any funds received that include both client and Avignon money are promptly allocated to the correct accounts.

Record Keeping

Avignon ensures that an appropriate accounting system is used to record all transactions that go through a client account. All receipts and payments should be clearly identifiable on the accounting records and can be made available to the client on demand.

Specific Use

Client money will only be used for the specific purposes agreed upon with the client and should be supported by proper documentation.

Interest

Client bank accounts are interest bearing, instant access accounts. Any interest earned should be passed on to the client.

Where multiple clients' funds are held in a single combined account (i.e. pooled tenant deposit account) then Avignon will pro rata interest earned per client.

Reconciliation

Avignon conducts regular reconciliations of client money, comparing client records with the firm's cashbooks to ensure accuracy.

Bank accounts are reconciled daily, using a two-way reconciliation between the bank statement and general ledger.

General Controls

- Employees have clear segregation of duties and that an appropriately qualified individual oversees the client accounting function.
- Avignon employs competent staff who are responsible for processing clients' money.
- Accounting systems and client data are securely controlled and protected.
- Computer systems are adequately protected for access, firewalls, back-ups and disaster recovery.
- There is adequate cover for holiday and long-term absence.

Specific Controls on Receipts

- All cash and cheques received by post are banked within three working days. Unbanked cash or cheques are stored securely.
- If funds are received into the wrong client account, they are promptly remedied via electronic transfer to the correct client account.
- Received funds are matched against open arrears on the accounting software. If it cannot be matched it will be booked as an unallocated prepayment, and Avignon will liaise with the client to ascertain what the receipt relates to.

Specific Controls on Payments

- No payments are made by cash or cheque.
- All payment requests will have supporting evidence.
- Electronic payments are uploaded to the bank via secure encrypted EFT payment files.
- Adequate authorisation and supervision procedures are in place for electronic payments i.e. dual approval required for payments over certain limits.
- When new suppliers are added to the system there will be a call back to confirm bank details.

Compliance

- Avignon Property Management Ltd is a member of UKALA under the Client Money Protection Scheme (member number 12765).
- Avignon Property Management Ltd is registered with HMRC for Anti-Money Laundering supervision (registration number XHML00000157710).
- Avignon ensures regular training for staff on client money handling procedures along with wider training on Anti-Money Laundering.