

**NEWMARK**

# Newmark Gerald Eve LLP – Client Money Handling



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. It sets out our procedures for handling client money to ensure transparency, security and compliance with regulatory requirements.

## Definition of Client Money:

Client money refers to money of any currency, whether in form of cash, cheque or electronic transfer which is:

- Held or received on behalf of another person, including money held by a regulated firm as stakeholder
- Not immediately due and payable on demand to the RICS regulated firm for its own account

## How and where money is Held:

As part of the RICS professional statement, Client money held or received by Newmark Gerald Eve LLP is either banked into a clients general account, a designated discrete account or held in a client-controlled bank account.

A general client bank account is a Newmark Gerald Eve LLP Client Trust Account which holds pooled client money belonging to more than one client. A discrete bank account is a client named bank account which holds funds solely belonging to a single client. Newmark Gerald Eve LLP also hold virtual bank accounts for client, service charge, sinking funds and tenant deposits.

Client monies are held separately from Newmark Gerald Eve LLP's own monies, are identifiable and immediately available. Within the general client bank account, each clients money is recorded in individual client ledgers to maintain segregation of funds.

Client money is held by an appropriate UK banking institution which is regulated by the Prudential Regulation Authority, the Bank of England and the Financial Conduct Authority.

## Pooled Client Money Account:

All client money is held within a client money bank account with NatWest Bank. The bank are not able to use any money held in the client bank account to settle any sums owed to it by Newmark Gerald Eve LLP, or any other third party. The bank also cannot combine any client money bank account with any other account nor have any right of set off or counterclaim against money on the client money bank account.

Newmark Gerald Eve LLP have exclusive control over the client money bank account.

## Bank Interest and Bank Charges:

The client account is an interest bearing, instant access bank account and Newmark Gerald Eve LLP will cover transactional banking and account maintenance charges associated with operating the accounts.

Newmark Gerald Eve LLP are entitled to retain any interest earned through the aggregation of various client accounts to offset

general bank charges and administration costs.

Interest generated from the virtual bank accounts will be credited to the designated virtual account unless otherwise agreed within the property management agreements.

Designated rent deposit accounts are operated for all tenants with rent deposits. A separate virtual account is maintained for each deposit and any bank charges incurred on these accounts are settled by Newmark Gerald Eve LLP. All bank interest earned is credited to the deposit account.

### **General Controls:**

Newmark Gerald Eve LLP ensure that:

- Employees have clear segregation of duties and responsibilities and that an appropriately qualified individual oversees the client accounting function:
- It employs competent and knowledgeable staff who are responsible for processing client money and familiar with RICS rules:
- Accounting systems and client data are securely controlled and protected
- Our computer systems are adequately protected for access, firewalls, backups and disaster recovery
- There is adequate cover for holidays and long-term absence
- Principals or senior staff cannot and do not override controls surrounding the accounting system
- All departments apply the same level of controls in relation to client accounting functions.

### **Client Accounting Systems and Controls:**

Newmark Gerald Eve LLP ensure that:

- Accounting records and systems are appropriate to the nature and volumes of client account transactions.
- Visibility is provided to clients in respect of all receipts and payments by means of agreed periodic reporting and supporting client ledgers
- Controls are in place to prevent client accounts going overdrawn.

### **Bank Reconciliations:**

Bank accounts are reconciled on a monthly basis where appropriate. The pooled account is reconciled using a three-way reconciliation between bank, general ledger and individual client ledgers as required by RICS.

### **Controls over receipt of client money:**

Newmark Gerald Eve LLP ensure that: Newmark Gerald Eve LLP ensure that:

- The treasury team log all monies received by post or electronic transfer on the day of receipt where possible and allocate accordingly to the relevant client ledger.
- Any cheques received are banked promptly, usually within 1 week of receipt. Cheques are stored securely in the office in a locked cabinet until they are banked.
- No cash is accepted
- We will investigate all unidentified funds received and endeavor to allocate.
- If details of the receipt cannot be identified despite all best efforts and funds have not been claimed, then they will be returned to the payor
- If we are unable to identify the payor then funds will be held and if unclaimed after 3 years will be donated to charity, in line with RICS client money handling rules.
- A schedule of all unidentified receipts is maintained and reported monthly.

### **Controls over payment of client money:**

Newmark Gerald Eve LLP ensure that:

- Controls are in place to ensure sufficient funds are held on behalf of the relevant client before payments are made
- An appropriate mandate is held that lists all authorized signatories who can approve payments electronically
- Adequate authorisation procedures are in place for payments made by bank transfer, electronic payment or via debit card
- No cheque or cash payments are made
- All payment requests have supporting evidence and documentation that has been approved in advance by an appropriate person.
- Effective controls are in place regarding the setting up of any new suppliers or clients within the accounting system.
- New bank accounts are validated by telephoning and verbally confirming the details with an independent individual. In addition, bank accounts are also validated on payments using our internet banking platform.

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