

BTR (Operating) Ltd: Client Money Handling Procedures

Document Purpose

The purpose of this document is to set out the Client Money Handling Policy and Procedures for BTR (Operating) Limited and its subsidiaries. These procedures have been developed according to best practice and to ensure compliance with the ARLA Propertymark regulations 2023.

Our conduct in the the way we manage Client Money reflects requirements details in the following legislation:

- The Property Ombudsman Code of Practice;
- UK ARLA Conduct and Membership Rules;
- The Client Money Protection Schemes for Property Agents (Approval and Designation of Schemes) Regulations 2018

This document details the key internal controls and procedures in place for how BTR (Operating) Limited handles client money and is published on individual site websites.

Definition of Client Money

Client Money is money of any currency (whether cash, cheque, draft or electronic transfer) that we hold or receive on behalf of our clients as part of the delivery of our services, over which we have exclusive control. This may be:

- Tenants' deposits
- Rent payments
- Client's money held but due to be paid to contractors

Client Money excludes amounts which are immediately due and payable on demand.

1. General Client Money Procedures

1.1 The procedures for handling client money are published on BTR (Operating) Limited's website.

1.2 A copy of the procedures for handling client money will be provided to any person who may reasonably require a copy (free of charge).

1.3 Records and accounts are kept that show all dealings with client money, and demonstrate that all client money held by the Company is held in a Client Money Account.

1.4 Client money will be repaid without delay if there is no longer any requirement to retain that money or the relevant client requests it.

1.5 All client money is held in a Client Money Account with a bank or building society authorised by the Prudential Regulatory Authority (PRA), the Bank of England and the Financial Conduct Authority (the FCA).

1.6 All bank accounts utilised by BTR (Operating) Limited for client money are exclusively controlled by BTR (Operating) Limited. All client money accounts are solely utilised for client money and do not include office money (e.g. funds relating solely to BTR (Operating) Limited's own business).

1.7 The bank account is correctly titled to include the name of the Company and the word "client" to distinguish the account from an office or any other account.

1.8 Clients' money is held in one or more client bank accounts separate from all other monies.

1.9 Client money is available on demand.

2. Access To Client Bank Accounts

2.1 Access to the client money accounts is restricted to specific, appropriate individuals.

2.2 Partners have clear segregation of duties and responsibilities in all procedures related to the handling of client money.

2.3 A periodic review is completed to provide assurance of all system user accesses, ensuring the right level of access is held by the right individuals.

2.4 The e-banking platform administrators are independent to the users of the platform, e.g. payment inputters and approvers. Dual authorisation is required for any e-banking platform administration changes.

2.5 Bank mandates are reviewed on a half-yearly basis. Any changes to mandates will be adequately authorised by the Head of Treasury and the Director of Financial Control prior to the change being implemented.

3. Payments Made Into Client Accounts

3.1 All payments of client money are made directly into a separate 'Income' client account.

3.2 Client monies received are reconciled on a daily basis.

3.3 Any unidentified funds are investigated as soon as possible. If it is not possible to identify what the money relates to it will be returned to the sender within 30 days of receipt.

3.4 Cash or cheque payments are not accepted.

4. Payment Procedures and Authorisation

4.1 All payments made are from a separate 'Expenses' client account.

4.2 All payment requests are backed up by sufficient evidence (e.g. invoice copy, proof of invoice matching purchase order), checked and verified by a payment approver prior to the release of funds.

4.3 Payment approval limits are in place for all payment approvers, and all payments are approved and released by a Partner independent to the banking administrators and payment inputters.

4.4 There are systemic controls in place around, and a periodic retrospective review of, purchase order approvals, in line with approval limits set and processes agreed with the client.

4.5 Effective controls and segregation of duties are embedded into the process for setting up and amending new supplier accounts, e.g. supplier bank details.

4.6 Checks are completed prior to payments made, to ensure that sufficient funds are held on behalf of the relevant client.

5. Bank Reconciliation

5.1 Client account cash book to bank statement reconciliations are completed on a daily basis; with cash book to bank statement to bank general ledger reconciliations completed on a monthly basis.

5.2 Monthly bank reconciliation internal reviews and sign-off are completed, prior to each month end close.

5.3 Any reconciling items must be investigated, with clear action plans documented. Reconciling items will be reported alongside monthly management reporting.

6. Interest and Bank Charges

6.1 The client bank accounts, used to hold client money, are interest bearing accounts. Interest generated on client money is accrued and added to the balance. Any interest earned is used to offset account maintenance and transactional banking costs incurred

7. Information Provided About Client Money

7.1 Details of the financial information, and frequency it is to be provided to clients, is documented in our client agreements. This includes any reference to agreed specific processes and procedures for handling client money.

7.2 Reporting specifics are agreed on an individual basis with each of our clients but, as a minimum, include financial reporting and details of the client money held by BTR (Operating) Limited on their behalf.