

## Client Money Handling Procedure

The purpose of this document is to set out tlc Real Estate Services Limited Client Money Handling procedures. tlc's internal controls and procedures, set out below, have been designed and implemented to follow best practice and RICS regulations.

### How is Client Money Defined?

Client money refers to funds of any currency, including cash, cheques, or electronic transfers, that are held or received on behalf of another individual or entity. This includes money held by a regulated firm in the capacity of a stakeholder. Importantly, client money is not immediately due and payable on demand, meaning it is held for the benefit and protection of the client until such time as it is required or authorized for use.

### How and Where Do We Hold Our Client Money?

As part of the Royal Institute of Chartered Surveyors (RICS) professional statement (Client money handling, effective from 1 January 2020) and internal due diligence, client money held or received by tlc Real Estate Services Limited is either banked into a general clients' bank account, an undesignated discrete account, or held in a client-controlled bank account.

A general clients' bank account is a Client Bank Account that holds pooled client money belonging to more than one client. A discrete bank account is a client-named bank account that holds client money belonging to a single client. All landlord and tenant monies are kept separate, and further details of where funds are held can be found within the Property Management Agreement (PMA), Tenancy Agreement, or specific Terms of Business (TOB).

Client monies are held separately from tlc Real Estate Services Limited's own funds, are easily identifiable, and are immediately available. Within the general clients' bank account, each client's money is recorded in individual client ledgers to maintain segregation of funds. Furthermore, tlc Real Estate Services Limited holds separate Client Bank Accounts for each individual managed block.

Client money is held with Lloyds Banking which has a minimum rating of BBB+, regulated as follows:



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In the UK: Authorized by the Prudential Regulatory Authority (PRA), the Bank of England, and the Financial Conduct Authority (FCA).

In Jersey: Authorized by the Jersey Financial Services Commission.

In Guernsey: Authorized by the Guernsey Financial Services Commission.

In the Isle of Man: Authorized by the Isle of Man Financial Services Authority.

## How do we handle Unidentified Funds?

We aim to investigate any unidentified funds within a month of receipt, in order to identify the owner of the client money received. Where the owner cannot be identified after three years from receipt, and all avenues of investigation have been exhausted, we will pay this from a client money account to a registered charity and request a receipt of funds.

All client money paid to a registered charity would be reimbursed to the firm by the registered charity if a beneficiary is subsequently identified.

## Who has Access to Funds?

Signatories are at the level of Seniors and above. Only a Director of the firm and the Head of Financial Compliance are authorized to approve new signatories for client money accounts.

## What are the Timescales for Payments of Cash into a Client Account?

All cash and cheques received by post are logged and banked within five working days of receipt. Whenever possible, these funds are allocated to the appropriate client money account.

## What Controls for Authorisation of Payments from a Client Account are in Place?

A withdrawal from a client account can only be made upon receiving specific authority from a signatory, in accordance with the firm's established procedures and systems.

All payment requests must be accompanied by verified supporting evidence and undergo thorough checks and authorization. Segregation of duties within the client



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accounting function is in place to prevent any data tampering during the payment process.

### How interest and bank charges are handled?

The General Client Bank Accounts are interest-bearing, instant access accounts and tlc Real Estate Services Limited will cover transactional banking and account maintenance charges associated with the operation of such account. tlc Real Estate Services Limited is entitled to retain any interest earned through the aggregation of various Client Accounts to offset general Bank charges and administration costs associated with operating the Client Bank Account, as per a signed Property Management Agreement (PMA), Tenancy Agreement or specific Terms of Business (TOB).

All the General Client Accounts for managed blocks will benefit from their interest and this interest is not retained by tlc Real Estate Services Limited.

### Reconciliation of accounts

Bank accounts are reconciled on a monthly basis as minimum, using a three-way reconciliation between the bank, general ledger and individual client ledgers, as required by the RICS.

### What information do we provide to clients about monies held on their account?

Reporting and frequency requirements are agreed and documented with the client and provided in line with the agreement.

### Who is this Approved by:

*Samantha Hossack* on behalf of tlc Real Estate Services Limited

*Jamie Coronna* on behalf of tlc Real Estate Services Limited

*Caterina Cannas* on behalf of tlc Real Estate Services Limited

Latest approval date: *December 2023*



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