

## **MAPP (Property Management) Limited (MAPP) - CLIENT MONEY HANDLING PROCEDURES**

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 and the RICS Client Money Protection Scheme rules. As a member of RICS, MAPP comply with the 'Rules of conduct for members' and the 'Rules of conduct for firms'. As set out in those rules, MAPP preserves the security of client's money entrusted to our care in the course of our business.

### **1. Bank arrangements**

All client monies are held in designated Client accounts with Barclays Bank Plc (Barclays), unless a client specifically requests otherwise. This document applies only to client monies held at Barclays. Provisions with regards to monies held at other banks are specific to the clients concerned and are controlled separately, although the general principles are the same.

Client monies deposited with Barclays are held at 50 Pall Mall, London, SW1A 1QA.

On opening a new account, all clients are provided with the account details of where their funds are held, the type of account, the interest arrangement, and provided with a copy of this document. Where MAPP hold a rent deposit on behalf of an occupier, we will provide them with the account details, the type of account, the interest arrangement and the relevant extract from this document.

### **2. Types of Account Held**

There are three types of bank account held:

- General Client Accounts
- Integrated Funds Solution Client Sub-Accounts (IFS Accounts)
- Property specific accounts held outside of the IFS Account Solution

#### **2.1 General Client Accounts**

There are two general client accounts held:

##### ***MAPP Client Account re Common Receipts (Client Receipt Account)***

- All electronic and cheque receipts are received/banked into the Client Receipt Account. The purpose of this account is to provide a central account where receipts can be processed and transferred to the individual designated IFS Accounts.
- The Client Receipt Account is an interest-bearing account. Interest is currently earned at the Barclay's base rate minus 1.00%.and may therefore be zero.
- Any general bank charges incurred on the Client Receipt Account are settled by MAPP, except for CHAPS fees as described in section three and any charges related to the service set out in section five.
- Cleared funds are transferred daily from the Client Receipt Account to the IFS Accounts.

- The only monies retained in the Client Receipt Account are those which cannot immediately be allocated to the correct client, property or occupier. Examples of these are shown below:
  - It is not clear to which client, property or lease the money relates.
  - The tenancy to which the money relates is currently 'on stop' or 'in breach'.
  - The charges to which the money relates have already been paid and approval is being sought to return.
  - The identity of the payer differs from the name on the lease, and there is no approved 'alias' for the name of the payer.
- A formal bank reconciliation for the Client Receipt Account is produced on a daily basis, Monies retained in the Client Receipt Account are subject to daily review by the Treasury team and weekly review by Directors.
- Reconciliations between the client ledger, cashbook and bank account are maintained frequently, minimum monthly, in accordance with RICS regulations and our ISAE 3402 controls.
- Any interest earned on the Client Receipt Account is not apportioned to clients but used to offset costs arising from processing transactions, together with any MAPP bank charges which are not recovered from our clients or occupiers.

#### ***MAPP Client Account re Common Payments (Client Payment Account)***

- The purpose of the Client Payment Account is to facilitate all payments to suppliers, occupiers and clients, and separately identify and hold clients' money which has been 'spent', in the period between the transactions being processed and the payment physically leaving the bank account. It is a RICS requirement that we hold funds to meet any payments issued on behalf of clients.
- Monies for payments are transferred from the appropriate IFS Account to the Client Payment Account on the day that the transactions are processed for payment in the MAPP client ledgers.
- Any bank charges incurred on the Client Payment Account are settled by MAPP except for CHAPS fees as detailed in section three.
- The balance on the Client Payment Account represents the value of un-cleared payments drawn on the account.
- A formal bank reconciliation for the Client Payments Account is produced daily.
- Reconciliations between the client ledger, cashbook and bank account are maintained frequently, minimum monthly, in accordance with RICS regulations and our ISAE 3402 controls.
- Any interest earned on the Client Payments Account is not apportioned to clients but used to offset costs arising from processing payments, together with any other bank charges which are not recovered from clients.

#### **2.2 IFS Client Sub-Accounts (IFS Accounts)**

- IFS Accounts are a specific type of bank account held and managed through the Barclays Integrated Funds Solution.
- IFS Accounts are operated for all clients at either client, property or sub-ledger level, according to client requirements.
- The balance of money held in respect of each individual client is recorded separately, both within the IFS Account records and within the client ledgers of the relevant MAPP Property Management Accounting system.

- All client monies are maintained in these accounts except for the overnight balance held on the Client Receipt Account, and 'spent' funds transferred to the Client Payment Account as detailed above.
- IFS Accounts holding client monies (transactional accounts) are interest bearing. Interest is earned quarterly at the rate of 3:00% below the Barclays Base Rate and may therefore be zero. Interest rates may change subject to any agreement negotiated with Barclays or any changes in base rate.
- IFS Accounts holding deposits for sinking funds and occupier rent deposits (non-transactional accounts) currently earn interest at 2.00% below the Barclays Base Rate. Interest rates may change subject to any agreement negotiated with Barclays, or changes in base rate.
- Separate bank statements are produced in respect of each individual IFS Account.
- Formal bank reconciliations for each account are produced at least monthly in accordance with RICS Clients' Money Regulations. Bank reconciliations between the client ledger, cashbook and bank account are also carried out on a monthly basis.
- Within the Barclays IFS Account solution, monies can only be transferred:
  - Between other IFS accounts.
  - To or from designated MAPP Client Accounts held at Barclays usually the Client Receipt Account and Client Payment Account.

### **2.3 Property Specific Accounts**

- Where agreed with a client, MAPP may set up and operate a property specific designated client account outside of the IFS Account solution for the purposes of managing:
  - Shopping Centre income
  - Petty Cash
  - Card payments

### **3. Transfer of Monies to Client**

- All identified monies received directly into the Client Receipt Account are transferred to the appropriate IFS Account(s) on a daily basis and treated as cleared funds on day two.
- Cheques are banked into the Client Receipt Account on day one and are usually treated as available for transfer to the client on working day six.
- The timing and amount of transfers to clients will be agreed with them on an individual basis.
- Transfers to clients of cleared funds are typically processed daily or every other working day around the quarter day periods. Outside of the quarter day periods, transfers are typically processed on a weekly basis.
- Transfers are usually remitted by CHAPS, unless an alternative arrangement has been agreed. The current charge for processing CHAPS payments is £20.00 per transfer, which is usually deducted directly from funds being transferred.
- Cheques cleared for 'fate' (i.e. they are unlikely to be returned) are usually available for transfer six working days after banking. However, it is sometimes possible for cheques to be returned unpaid by the drawer's bank after funds have been transferred to our clients' bank account. In such cases, MAPP reserve the right to request immediate funding to correct the position.

#### **4. Payment to Suppliers**

- All payments to third party suppliers and contractors are made in respect of approved invoices only in accordance with our delegated authority and internal approval limits.
- Payment runs are typically carried out on a weekly basis, with our preferred method of payment being BACS.

#### **5. Bulk Cash Deposit Services**

- Barclays offer a direct deposit service for depositing large volumes/sums of cash at secure centres. Agreements will be put in place specific to each site/property as required (typically for car park cash collection). Charges levied by Barclays for providing this service will be charged back to the Client/Property in question.

#### **6. Client Account Conditions**

Barclays have agreed in writing that:

- All monies standing to the credit of MAPP Client accounts is Clients' money.
- There is no legal right of set-off of the monies in any Client account against any other account, nor are they entitled to combine any Client account with any other account.

#### **7. Other**

- Cheque payments can only be made from the bank accounts held at Barclays, 1 Churchill Place, London, E14 5HP in accordance with the bank mandate.
- CHAPS payments can be made from designated Client bank accounts as recognised by Barclays based on documentation signed in accordance with the bank mandate.
- No cash payments will be made or received by MAPP into our Client accounts. Should any cash be accepted directly by a Barclays bank branch, this will be reported to our Money Laundering Reporting Officer for investigation and subsequent approval or rejection.
- MAPP reserves the right to vary the terms and conditions of these banking arrangements.

In order to comply with RICS regulations, please complete and return attached Appendix A. If we do not receive the return of Appendix A within 21 days of issue of this document, we will assume agreement to the banking arrangements detailed within this document.

**APPENDIX A**

*{Please complete your name and address  
below here or print on your headed  
paper}*

MAPP  
180 Great Portland Street  
London  
W1W 5QZ

Date :

Dear Sirs

Re: Client Money Handling

I can confirm that we have received, read and understood the MAPP Client Money Handling document.

We agree the terms and conditions contained therein and confirm that MAPP have informed us of the name of the account, the address and the interest conditions of the bank account where our client monies are held.

Yours faithfully

**Name**

**Title**