Prior Estates Limited

**Client Money Handling & Unidentified Funds Procedure**

1 For each property we manage we open a dedicated client account. All funds are held in the nominated trust account at Barclays Bank Plc, West Norwood, London SE27. These funds do not form part of the assets of Prior Estates Ltd.  The account is interest bearing and is an instant access account. All interest is retained by the property.

2 Access to these funds is only available to Directors of Prior Estates and senior Accounts employees.

3 Payments from this account can only be made by two employees, one to set up the payment and one to authorise. Any payments over £10,000 require a further Directors’ authorisation.

4 Whilst cash and cheque payment are rare, these are paid into the relevant accounts at least twice a week.

5 Any payments of invoices made need to be signed off by the property manager for the block and a Directors before they can be passed on for payment.

6 Bank statements are reconciled by a senior accounts’ employee at least once a month and they are checked by a Director of the Company on a monthly basis too.

7 Report on the income and expenditure can be provided to Directors on request and where this has been set up will be provided on a quarterly basis. The documents can include but are not limited to. Banks statements, cash book reports, actuals vs budgets, arrears list and detailed expenditure breakdown.

8. Prior Estates operates a Direct Debit collection service. For this Prior Estates complies with all relevant Direct Debit collection requirements.

Unidentified Funds

* Any payments received by Prior Estates that cannot be allocated to the relevant account are treated as unidentified funds. They will remain client money and must be treated as such and therefore will never be transferred to the firm’s office account.
* There may be a number of circumstances in which unidentified funds may arise such as

 • Electronic receipts with insufficient reference

 • Refunds without client details

 • Clients who have not provided up-to-date contact details

* Should Prior Estates receive any unidentified funds we will undertake our best endeavours to trace the payee to be able to allocate these funds correctly. A log of all unidentified funds is to be kept ensuring transparency and allow review where required. This will include.

 • how they were received, i.e., cash, cheque, direct banking.

 • the reference on the bank statement regarding the payer and the amount.

* All unidentified funds will be processed within a month of being receive as part of the bank reconciliation procedure.
* Prior Estates will carry out an investigation into the unidentified funds, which will include:

 • checking the accounting records to see whether they have outstanding rental income/service charges/ground rents and checking to see whether any of the unidentified funds tie up with outstanding debts and target those tenants/ leaseholders

 • writing to the last known address of the client/tenants to follow-up the addresses to find the clients/tenants

 • trying to repay the funds through the banking system wherever possible.

* Prior Estates will keep a record of our investigation including evidence of the steps above and, if relevant, evidence that the funds were banked directly into the client account without any details.
* Prior Estates will take all reasonable steps to identify the owner or payee of the funds as soon as possible.
* If the client has not been identified after three years Prior Estates will pay unidentified funds from a client money account to a registered charity. We will obtain a receipt and an indemnity for all client money paid to a registered charity that would reimburse the firm for payment of the monies if a beneficiary were subsequently identified. If the client is subsequently identified after funds have been paid to charity:
* Prior Estates will remain responsible for ensuring that client money is repaid but can use the indemnity to seek reimbursement from the charity.