

IPI Asset Management

Client Accounting Procedure

6 Legge Lane Management is a member of the UK Association of Letting Agents (UKALA) and as such adheres to their accounting practises. 6 Legge Lane Management is registered with UKALA's Client Money Protection scheme, registration number: 7083

Section A:

Compliance with Regulations and Good Practice Guidelines:

1. Clients' Money Bank Accounts

Legge Lane Management keeps all client funds in one bank account with HSBC; this is a specific client account with the title 'Client Deposit Account'. Account number: 03663892 We have sought confirmation from our bank manager to confirm that the bank is unable to exercise any right to set off or counterclaim against the money in these accounts in respect of any sum owed to the bank by our firm on any other account or any of our subsidiary companies.

2. Clients' Money Transactions

All Clients' Money is paid straight into the Clients' Money Bank Account and reconciled within 3 working days. We ensure that Clients' Money received by automated transfer is clearly recorded and that we keep precise records of all cash transactions.

We are transparent with our clients regarding our commission fees and deadlines. This is outlined in the relevant Head Lease.

All systems and controls are maintained to a high standard to monitor and manage Clients' Money transactions. If we note any unidentifiable transactions, we treat these as Clients' Money until such time we can identify them. All monies should be repaid to our clients in a timely manner when due. Any short fall in funds will be remedied as soon as possible. Funds which are not client money should be removed out of client account within 3 business days.

3. Systems & Controls

We ensure that our procedures for handling Clients' Money are clearly written down in this document.

We use MRI Sales and Lettings as our accounting software and HSBCNet banking. We are able to identify all payments and receipts to a particular client to whom they relate, i.e. client's name and property address and reference numbers where applicable.

Access to MRI Sales and Lettings is restricted to certain members of staff responsible for accounting and property management, and authorised senior managers have functions to remove certain transactions only for correction purposes. We have a company firewall in place and our software is cloud based to ensure data security and resilience. We have clear audit trail of client accounting records, including all copies of reconciliations; the recommended best practice time frame for this is a minimum of six years plus the current year.

We train all accounting staff on best practise and ensure that all staff involved in the firm's Clients' Money handling arrangements, so they are fully aware of these procedures and understand their responsibilities. The owners of the business have no access to the banking facility, and all approvals are made by one senior manager, and one senior member of accounting staff separate to the accounting staff responsible for raising the payments.

4. Keeping Clients Informed

We apply the Clients' Money protection scheme logo on our literature and our website to provide peace of mind for your clients and demonstrates that you are a reputable firm.

Section B: Internal Procedures:

Internal Accounting	
Daily (Monday to Friday)	
Action	Comments
Bank Statement	Reconcile previous days banking
General Queries	Emails from leaseholders, suppliers, PMs etc

Weekly- every Wednesday for Supplier payments and every Friday for remainder	
Action	Comments
Supplier Payments	Reconcile funds and process payments to suppliers, contractors and insurers. Send remittance advice directly via email if requested by supplier.
Supplier Payment Errors	Report the reason why any payments could not be made and circulate to PMs by spreadsheet template attached to email
Unidentified receivings	Investigate and query with staff and payments that could not be allocated
Unreconciled Transactions	Manually reconcile any income where the import of the payment has not auto allocated against the fee so income is timely drawdown

Monthly	
Action	Comments
Agency Fee Reconciliation	Manually reconcile income that has not yet appeared on statement to enable it to be drawdown in the correct month
Agency Fee Drawdown	Pay fees to Trading account monthly as necessary
Bank Reconciliation	Reconcile bank statement against system balance
Supplier Accreditation	Ensure all suppliers have up to date documentation
Financial Position Audit	Run report for all system balances and review any that look incorrect
Unreconciled Transactions	On last day of the month manually reconcile any income where the import of the payment has not auto allocated against the fee so income is timely drawdown

Annually	
Action	Comments
Ground Rent	Prepare and issue annual Ground Rent demands to leaseholders
Service Charge Budget	Forecast the day to day running cost of the common parts of the building and prepare annual Service Charge budget, prepare and issue service charge demands to leaseholders. Finalise accounts for previous year and issue balancing payment or credit which may be required.
Demands	Issue service charge demands, insurance demands, levy or Section 20 demands
Apportionment	Calculate apportionment of service charge and ground rent upon sale of individual units.