

Client Accounting Procedures - Complete Prime Residential Ltd June 2019

Complete Prime Residential is a member of the UK Association of Letting Agents (UKALA) and as such adheres to their accounting practices. Complete Prime Residential is registered with UKALA's Client Money Protection scheme, registration number: 188709.

Section A:

Compliance with Regulations and Good Practice guidelines:

1. Clients' Money Bank Accounts

Complete keeps all client funds in one bank account with HSBC, this is a specific ringfenced client account with the title 'Clients Deposit Account'. Account number: 13663833. We have sought confirmation from our bank manager to confirm that the bank is unable to exercise any right of set off or counterclaim against the money in this account 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 into the Clients' Money Bank Account within 3 business days of receipt by Complete. 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 with regards to our commission, fees and deadlines. This is outlined in our Client Terms of Business. We remove any monies for other goods or services and in relation to monies owed to Complete (i.e. fees) a least once a month, or as soon as possible. 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.

3. Systems & Controls

We ensure that our procedures for handling Clients' Money are clearly written down in this document and are clearly specified in our client Terms of Business

We use Qube SLM 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 Qube SLM is restricted to certain members of staff responsible for accounting and property management. 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 practice 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 done 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

Our Terms of Business or Management Agreements explain that we are holding the money in a Clients' Money Bank Account, including the name and address of the bank.

We display our annual Clients' Money protection scheme certificate and window sticker. 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.

5. About Your Business

Unless the landlord has their own compliant deposit protection scheme, we register all tenant deposits in the custodial scheme of the Deposit Protection Scheme (DPS) within 30 days of receipt.

In order to comply with the guidelines, set by HM Revenue and Customs (HMRC), we are registered with the HMRC Non-Resident Landlord Scheme. This scheme has been put in place for taxing the UK rental income of non-resident landlords. Unless the client has an approved Non-Resident Landlord number we withhold 20% tax and make quarterly payments to HMRC as per the guidelines.

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Section B:

Internal Procedures: London, Manchester and Berlin branches:

1. Landlord Payments	
Daily (Monday to Friday)	
Action	Comments
Bank Statement	Reconcile previous days banking
Landlord Statements	Preview and process statements
Landlord Payments	Process payments to landlords
Client Services Invoices	Create invoices on request from client services for handover and furniture payments
General Queries	Emails from suppliers, PMs etc

2. Supplier Payments	
Weekly- every Wednesday	
Action	Comments
Supplier Payments	Process payments to suppliers
Supplier Payment Errors	Report the reason why any payments could not be made and circulate to PMs
Unidentified receiving's	Investigate and query with staff and payments that could not be allocated
Statement Errors	Advise staff of errors where landlords can't be paid to be resolved
Unreconciled Transactions	Manually reconcile any income where the import of the payment has not auto allocated against the fee so income is timely drawdown

3. Internal Accounting	
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
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

4. Tax compliance	
Quarterly	
Action	Comments
HMRC NRL Tax	Pay NRL tax to HMRC (UK only)
VAT	Pay VAT to HMRC/Tax Office in Berlin
Annually	
Action	Comments
HMRC NRL Tax	Issue NRL6 to landlords