

CLIENT MONEY HANDLING PROCEDURE

Bridges Property Management

Version 1.0 April 2026

1. Purpose

This procedure sets out how Bridges Property Management handles client money in accordance with regulatory requirements, Client Money Protection (CMP) rules and the Letting Agent Code of Practice.

The objective is to ensure client funds are handled securely, transparently and separately from company funds at all times.

2. Client Account Structure

The client account is designated as a client account and is used solely for holding client funds. All rent, deposits and other client funds are paid into a designated client bank account that is separate from the company's business account.

Client money is never mixed with office funds.

Online banking access to the client account is restricted to authorised signatories. At the date of this policy, access is limited to the Head of Lettings and Company Directors.

3. Receipt of Rent

Rent is paid directly into the client account.

Rental payments are monitored regularly and allocated within the CRM system to the relevant property and landlord ledger once funds have cleared.

4. Tenancy Deposits

Tenancy deposits are paid into the designated client account before being transferred to an approved tenancy deposit scheme.

Deposits are recorded separately within the CRM system and allocated to the relevant property and tenancy.

Deposits are transferred to an approved tenancy deposit scheme within the statutory timescales prescribed under Scottish legislation. Evidence of deposit registration and prescribed information will be retained on file.

Deposits are not retained within the client account beyond the statutory lodging period except where permitted by law.

Deposits are not treated as rental income and are not used to offset rent arrears during the tenancy unless permitted under legislation at the end of the tenancy.

5. Payment of Landlords

Landlord payments are made within up to five working days of cleared funds being received.

Before remittance, agreed deductions are made, including:

- Management fees
- Contractor invoices
- Approved disbursements
- Any other fees due under the Terms of Business

All deductions are itemised clearly on the landlord statement.

6. Payment of Contractors

Contractor invoices are reviewed before payment.

Where sufficient funds are available, contractors are paid directly from the client account.

Where rental income or available float funds are insufficient to cover contractor costs, the landlord will be requested to provide funds prior to payment, except in emergency situations where immediate action is required to protect safety or prevent damage.

7. Transfer of Agency Fees

Agency fees are only transferred from the client account to the business account when:

- The fee is due under the Terms of Business; and
- The fee is clearly itemised on the landlord statement

No informal or unrecorded transfers are made.

8. Landlord Floats

Where a landlord elects to maintain a float, the funds remain within the client account.

Float balances are tracked within the CRM system against the relevant property.

Float funds are applied only to authorised expenditure relating to that property.

9. Authorisation of Payments

Payments from the client account may only be authorised by the Head of Lettings or a Director of the Company.

No payment is made without supporting documentation and a corresponding ledger entry within the CRM system.

10. Monitoring & Reconciliation

Incoming payments are monitored and allocated within the CRM system on working days as funds are received.

Landlord payments are processed in accordance with the agreed remittance timescale once funds have been cleared and allocated.

A formal client account reconciliation is carried out at least monthly.

Reconciliation includes:

- Comparison of the bank balance to CRM ledger balances
- Verification of individual property accounts
- Identification and prompt resolution of discrepancies

Reconciliation records are retained in accordance with the Record Keeping Policy.

11. Record Keeping & Financial Controls

All client money transactions, landlord statements and reconciliation records are retained securely.

Appropriate internal controls are maintained to reduce the risk of error, misallocation or misappropriation of client funds. Any discrepancies identified during reconciliation will be investigated and resolved promptly.

No payment is made without proper documentation and ledger entry.