

## Safeagent Client Accounting Standards

### Standard 1

#### Duty to maintain a separate Client Account(s)

All **safeagent** firms who receive clients' money must only hold client monies in a UK bank or building society authorised by the Financial Conduct Authority. All client monies must be deposited into this account, which is then held on behalf of client landlords or tenants. Client monies received by cash or cheque should be paid in without delay.

Clients' money must be held by a firm in such a way that it is not available for the ordinary trading purposes of the business nor used as security for any loan or for meeting any personal or business liabilities.

The Standards which follow deal with approved forms of withdrawal from the Client Account(s) and are designed to enforce this main purpose of separate accounts.

When operating any form of Clients' Account the bank or other institution should be advised that the money is to be held in a separate account from the firm's own money and should be instructed to handle the account(s) in accordance with these standards.

Bank charges for operating all forms of Clients' Account(s) must be paid out of other resources and not charged against any client account(s).

Note: Client monies and service charges relating to block management and/or holiday lets are **not** regulated by **safeagent** and therefore do not need to be included in the Report.

### Standard 2

#### Withdrawals from a Client Account

Money may be drawn from Client Account(s) only under the following circumstances:

- (a) For payment properly authorised to the person entitled to receive it
- (b) In discharge of a sum owed to the firm by the person otherwise entitled to receive it
- (c) For payment into another client account kept by the firm
- (d) To correct an inadvertent overpayment into the account
- (e) To withdraw interest which has accrued on the account
- (f) For payment of the firm's fees and/or disbursements provided that the client has a copy of the firm's account and the client has authorised payment in writing or payment is permitted by the firm's Terms of Engagement
- (g) If there are sufficient funds available to the credit of the client to fully cover the payments

### Standard 3

#### Record keeping

All **safeagent** firms must maintain proper internal accounts showing the up-to-date position in relation to circumstances outlined in Standards 1 and 2 above. At all times balances on the client account(s) must satisfy the indebtedness shown in internal accounts.

### Standard 4

Firms applying for **safeagent** accreditation who have been trading for less than 12 months must provide a Declaration by an Accountant in the format provided by **safeagent** confirming that the firm has bookkeeping procedures in place for handling clients' money.

After the first six months of **safeagent** accreditation, the firm must provide an Interim Accountant's Report confirming compliance with **safeagent** Accounting Standards.

Thereafter the Report must be provided annually within 6 months of the end of the firm's accounting year.

Failure to provide a Report within the given time will lead to the withdrawal of **safeagent** accreditation.

#### Submission of the Report

This Report may be signed in the name of the firm of accountants of which you are a partner or employee, provided that your full name is also specified.

Reports must be completed by a Chartered or Certified Accountant. The Accountant must be a member of the Financial Reporting Council's Recognised Supervisory Bodies (RSBs) and have a practicing certificate. The Accountant must not have any connection to the firm during the Accounting Period stated on the Report. i.e. is not an employee of the firm.

The report must be submitted to **safeagent** directly from the Accountant by either post to **safeagent**, Cheltenham Office Park, Hatherley Lane, Cheltenham, GL51 6SH or emailed to [info@safeagents.co.uk](mailto:info@safeagents.co.uk). Postal submissions should include either a covering letter or compliments slip.

Failure to supply the Report by the deadline will result in a late submission fee of £100+VAT with the cost to be met by the **safeagent** accredited firm.