

## **Upsdales Property Management Limited – Procedure for handling client money**

All client money held by us will be held in a Premium Client Bank Account with Barclays Bank which is authorized by the Financial Conduct Authority. We have written confirmation from the bank that:-

1. All money standing to the credit of that account is client money.
2. The bank is not entitled to combine the account with any other account or exercise any right to set-off or counterclaim against money in that account for any sum owed to the bank on any other accounts it holds for us.

We regularly record and monitor all transactions on this account and reconcile these on a daily basis.

Any client money paid to us by automated transfer will be paid directly into the client account. All other client money will be paid into the client bank account within 5 working days of receipt by us. If we receive any unidentifiable transactions, we will treat these as client money until such time as we can identify them. Where we are unable to identify a transaction within 14 days, these funds shall be returned to the sending bank.

We will keep precise records of all client money received.

We will remove from the client account money owed to us for goods or services as soon as possible and at least on a monthly basis.

Money held in our client account which is due to a landlord or tenant will be paid to them as soon as is reasonably practicable and without any unnecessary delay or penalty, unless agreed otherwise (for example, where it has been agreed that we will retain funds from a landlord to cover a large repair invoice).

Where tenants pay by standing order or direct debit the funds will be paid from the tenant's account into our client account. In the case of payment by cash or cheque, these will be banked weekly into our client account.

Rent payments received will be recorded on our management software on a daily basis.

Once we have rents in cleared funds in our dedicated client account, we will:

1. Process it making deductions for our fees and any other costs incurred on the landlord's behalf;
2. Forward the remaining funds to the landlord by chosen method of payment either monthly or quarterly as preferred.
3. Issue a clear written statement of all income received and expenditure incurred since the last statement was issued to the landlord.

If at any point the expenditure incurred exceeds the rental income, we will inform the landlord and provide a clear written statement of all income received and expenditure incurred since the last statement was issued.

## **Overseas Landlords**

If the landlord lives outside of the United Kingdom for 6 months or more per year, they will be classed as a 'non-resident landlord' by the HMRC. As a letting agent we are legally required to deduct tax from the rental income of overseas landlords, unless we have authorization to pay it gross.

If we enter into a management contract with an overseas landlord, or if an existing landlord moves overseas, we will inform them of this requirement and invite them to apply to HMRC to receive their rental income gross.

If we receive authorization from HMRC to pay the rental income gross, we will keep a copy of the authorization letter on file and pay rent to the landlord without making a tax deduction.

Unless and until we receive authorization from HMRC to pay the rental income gross, we will:

- Deduct basic rate tax from the rent (after allowing for any expenses incurred) and
- Give the landlord a NRL6 certificate by 5<sup>th</sup> July each year saying how much tax we have deducted.

If we collect rent for overseas landlords, we will comply with the requirements of the HMRC 'non-resident landlord scheme', including:

- Registering with HMRC;
- Calculating and paying the tax on rent received for relevant overseas landlords within 30 days of the end of each tax quarter;
- Completing an annual information return and submitting it to HMRC by 5<sup>th</sup> July each year;
- Keeping sufficient records to show that we have complied with the requirements of the scheme.

## **HMRC Obligations**

We have obligations under schedule 23 of the Finance Act 2011 to provide to HMRC on request details of landlords we act for, rent received and deductions made by us on their behalf.

We hold a Client Money Protection Scheme with Client Money Protect and will provide details of this scheme on request.

We hold a Professional Indemnity Insurance Policy with Berkeley Insurance Group and will provide details of this policy on request.