



## **CLIENT MONEY HANDLING POLICY**

**Total Property Factoring & Management Ltd**  
Company No: **SC875809**

### **1. Purpose of This Policy**

This Client Money Handling Policy sets out how **Total Property Factoring & Management Ltd** (“TPFM”, “we”, “us”) receives, holds, manages, and accounts for **client money** in its role as property factor.

This policy ensures compliance with:

- Property Factors (Scotland) Act 2011
- Property Factor Code of Conduct
- Companies Act 2006
- Relevant banking and professional standards

This policy applies to **client funds only** and explicitly excludes **factoring fees**, which are treated as company income.

### **2. Definition of Client Money**

For the purposes of this policy, **client money** means money received or held by TPFM on behalf of homeowners or property owners for purposes other than factoring fees, including:

- Common repairs and maintenance
- Buildings insurance premiums
- Utilities and shared services
- Sinking or reserve funds

Factoring fees are **not client money** and are not held under this policy.

### **3. Client Bank Accounts**

#### **3.1 Account Structure**

- Client funds are held in **separate designated client account(s)**





- Accounts are clearly labelled:  
“**Client Funds Account – TPFM**”
- Client money is **never commingled** with TPFM operating or business funds

### **3.2 Banking Provider**

- Client accounts are held with **Tide Bank**
- Accounts are used **solely** for the receipt and payment of client funds

### **4. Number of Client Accounts**

- TPFM operates **separate client accounts per block**, where required
- Each account is supported by block-level ledger records
- Funds are identifiable and attributable to the relevant block at all times

This approach ensures maximum transparency and protection of client funds.

### **5. Authorisation & Controls**

#### **5.1 Account Signatories**

- Both Company Directors are authorised signatories on client accounts

#### **5.2 Payment Controls**

- **Dual authorisation** is required for any payment over **£5,000**
- Payments below this threshold may be authorised in accordance with internal controls

#### **5.3 Advance Payments**

- No advance payments are made without **explicit director approval**
- All approvals are documented and retained

### **6. Use of Client Money**

Client money may only be used for the following purposes:

- Payment of common repairs and maintenance
- Payment of buildings insurance premiums





- Payment of utilities and shared services
- Management of sinking or reserve funds

Client money is **never used**:

- For company expenses
- To subsidise operating costs
- To offset factoring fees

## 7. Interest on Client Funds

- Any interest earned on client funds is applied **in accordance with title deeds, deeds of appointment, or relevant agreements**
- Where interest treatment is not specified, it will be dealt with transparently and fairly

## 8. Timing of Payments

- Contractor payments are made **28 days after invoice approval**
- Invoices are checked for accuracy and compliance before approval
- A full audit trail is maintained for:
  - Invoice receipt
  - Approval
  - Payment

## 9. Reconciliation & Reporting

### 9.1 Reconciliation

- Client bank accounts are reconciled **monthly**
- Discrepancies are investigated promptly and resolved

### 9.2 Reporting

- An **annual statement of account** is issued to owners
- Statements clearly distinguish:





- Client funds
- Factoring fees

## **10. Record Retention**

- All client money records are retained for a **minimum of six (6) years**
- Records are stored securely and in accordance with data protection requirements

## **11. Insolvency Protection**

- Client funds are held on **trust**
- In the event of TPFM insolvency:
  - Client funds remain separate from company assets
  - Funds are protected for the benefit of owners

## **12. Breach Management**

- Any breach of this policy is reported to the Directors immediately
- Remedial action is taken without delay
- Affected clients are notified where required

## **13. Review & Governance**

- This policy is approved by the Company Directors
- Reviewed **annually** or following regulatory change
- Available to owners on request

