

First Step shall preserve the security of clients' money entrusted to its care in the course of its practice or business.

Our aim is to ensure that clients' money can be clearly linked to the clients to whom it belongs and is protected on their behalf at all times and in particular, in the following circumstances:

- Insolvency
- Misappropriation by any party
- Transfer of client money to another organisation

Should Clients' money be misappropriated, the company will inform CLIENT MONEY PROTECT (CMP), who are the UK's largest independent government approved money protection scheme. Also, where appropriate, the relevant authorities.

General controls

We ensure:

- An appropriately qualified individual oversees the client accounting function.
- That we employ competent and knowledgeable staff who are responsible for processing clients' money and who are familiar with CMP rules.
- That our accounting systems and client data are securely controlled and protected.
- That our computer systems are adequately protected for access, firewalls, backups, and disaster recovery.
- There is adequate cover for holiday and long-term absence.

Client bank accounts

We ensure:

- That our clients' money is held in one client bank account separate from all other monies and that client money is available on demand.
- Our client bank account is correctly titled to distinguish the account from an office or any other account.
- We have obtained written confirmation from the bank of the client account conditions.
- We advise clients in writing of the bank account details.

Client accounting systems and controls

We ensure that:

- Accounting records and systems are appropriate to the nature and volumes of client account transactions. We use a suitable software package (system) to manage client money effectively.
- Our system provides details of all money received into and paid from the client account and shows a running balance of all client money held in that account.
- Our system identifies all receipts and payments to the client to which they relate; for example, by means of client ledgers showing cash balances held on behalf of clients at all times.

- Accounting records are completed promptly.
- The current balances at the total and client levels are always available.
- All ledgers have the client name and an appropriate description, e.g. the property address.
- Overdrawn balances on client ledgers are prevented by the systems or controls in place and where they do occur are investigated and rectified immediately.
- Adequate controls are in place over unidentified client money to ensure that such funds are kept securely. The clients are located and reimbursed as soon as possible.
- Dates of opening and closing accounts is available.
- We complete a reconciliation at least three times per week during the working week where clients' money is held in a general client account when monies are receipted in.
- Reconciliations are reviewed and signed off by a Director or an appropriate independent senior member of staff.
- Client accounting records, including copies of reconciliations, are securely kept for at least six years plus the current year.

Controls over the receipt of client money

We ensure that:

- All monies for rental payments are requested to be sent electronically via the banking system to our Client Rental Account
- Monies are receipted in on our system a minimum of three times per week within the working week.
- Payments are then made electronically from the Client Rental Account to the Landlord once cleared through the banking system.
- A reconciliation is performed between money received and that day's payments.
- Fees for contractual works awaiting invoices are carried forward from payments to landlords.
- Any monies paid to First Step for deposits are transferred to the DPS (Deposit Protection Service) in a timely manner, the mandatory timescale is 30 Days.
- Monies refunded to First Step from the DPS to be paid back to landlords is paid back to the landlord in a timely manner once received into our account.
- Monies refunded to tenants is paid direct from the DPS to the tenant.

Controls over the payment of client money

We ensure that:

- Checks are made to ensure that sufficient funds are held on behalf of the relevant client before payments are made.
- A copy of the bank mandate is held and is up to date.
- Adequate authorisation and supervision procedures are in place for payments made by cheque, bank transfer and electronic methods.
- Insurance and adequate Director supervision is in place where payments are made by non-Directors.
- All payment requests have supporting evidence, and that documentation has been authorised in advance by a Director or other appropriate person.
- Effective controls are in place over the setting up of new supplier accounts on the system.
- Cash payments are not taken.

CMP Certified

This is to certify that First Step is a member of the CMP Client Money Protection Scheme, view [here](#).

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