

Dormant client funds/ Unclaimed client accounts

Professional firms are required to return balances on client accounts as soon as there is no reason to retain the funds.

For example, solicitors will be aware of the Solicitors Regulatory Code of Conduct Rules which allows for practices with funds under the sum of £500 held on client account which can't be traced and returned to the client to now be payable to a charity. Solicitors do need authorisation to transfer funds over £500 and the application form and guidance can be found at www.sra.org.uk/guidance-sar/

It can be in the interests of the firm to ensure that money, which would otherwise remain inactive and subject to audit each year, goes directly to support a charity.

There may be an unclaimed amount in a client account for a number of reasons, usually where:

- The rightful owner cannot be traced
- The rightful owner will not provide instructions on how the funds should be dealt with; or
- Monies returned to the client have not been cashed

Any unclaimed client funds transferred to the Bedfordshire and Luton Community Foundation in this way will be used to directly fund charities and community groups who support the people of Bedfordshire. The exact type of organisation and cause to be supported can be selected by you and your team according to your organisations charitable objectives.

Bedfordshire and Luton Community Foundation is able to accept funds donated in this way and provide written indemnity in case the original beneficiary should ask for the money. We are happy to discuss ways of working with you to protect you in cases where large sums are transferred to the Foundation should the original owner seek recompense. It might be, for example, that the funds are held in a general endowment fund earmarked for your firm protecting the capital, distributing the annual income earned from the interest and dividends to local community groups.

Bedfordshire and Luton Community Foundation would be delighted to work with you to assist in transferring funds from any dormant client accounts. To find out more about how we can help you, please contact Fozia Irfan at fozia.irfan@blcf.org.uk or Warwick Browning at warwick.browning@blcf.org.uk or call us on 01234 834930.