



2 Rent Me Property Ltd- Rent Collection and Handling Procedure

We will adhere to the following procedure in respect of rent collection and handling, unless alternative arrangements for a particular tenancy/property have been agreed with the landlord in writing.

Our standard tenancy agreement requires tenants to pay their rent by standing order. We will endeavour to ensure that every tenant pays their rent in this way but cannot force tenants to do so.

Rent will only be accepted from a tenant named on the tenancy agreement or their guarantor. In the case of multiple tenants on a joint tenancy and those tenants on individual leases, rent will only be accepted in one lump sum from one of those joint tenants named on the lease (or their guarantor).

If a tenant requests a statement of their rent account, we will provide one within **5 working** days. If a tenant pays their rent in cash, we will immediately provide them with a written receipt which states the date of payment, the amount paid and either the amount which remains outstanding or confirmation that no further amount remains outstanding. This is only if there is no other option to cash as we no longer accept cash payments unless exceptional circumstances.

The preferred payment is by standing order and this will be paid directly into our client account as advised to tenants.

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

Payments to Landlords

Once we have the rent in cleared funds in our dedicated client account, we will

- i. process it making deductions for our fees and any other costs incurred on the landlord's behalf;
- ii. forward the remaining funds to the landlord's account by bank transfer. All cleared funds will be transferred on the **21st of every month and if this lands on a weekend it will be the next working day**, unless agreed otherwise in writing by the landlord (for example where it has been agreed that we will retain funds from a landlord to cover a large repair invoice);
- iii. at the point we forward funds to the landlord's account, we will also issue the landlord with 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 provide the landlord with a clear written statement of all income received and expenditure incurred since the last statement was issued to the landlord. **This will be sent to the landlord on the 21st of every month and if this lands on a weekend it will be the next working day.**

Payments to Tenants

Where a tenant overpays their rent during the tenancy we will normally forward this money to the landlord in accordance with our above procedure, unless we have written agreement from the landlord to retain it.

If a tenant asks us to refund overpaid rent to them we will advise the landlord of this and return it to the tenant within **5 working days** of their request if we hold sufficient funds for the landlord. There is a fee for overpaid rent where the tenant has received the Final Rent payment Letter, which explains to them exactly what they require to pay and when and how to cancel their payment with their own bank. **WE CAN NOT CANCEL ANY PAYMENTS ON BEHALF OF TENANTS THIS HAS TO BE DONE BY THE TENANT THEMSELVES.**

If we do not hold sufficient funds, then we will ask the landlord to send us funds within **10 working days** in order for us to refund the tenant.

If the landlord fails to send in funds within this timeframe then we will inform the landlord that we will provide the tenant with their contact details to allow the tenant to pursue the landlord directly if funds are not provided within **5 working days**.

If the landlord still fails to provide funds within this timeframe then we will advise the tenant of this and provide them with contact details for the landlord to allow them to pursue the landlord directly.

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 HMRC. As a letting agent we are legally required to deduct tax from the rental income of overseas landlords, unless: -

- a) we have authorisation from HMRC to pay it gross; or
- b) we provide a tenant finder service only, we collect our own fee for finding a tenant from rent payments, rent is collected for no more than 3 months and the tax is no more than £100.

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

Unless and until we receive authorisation 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 5th 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 landlords 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 (30 June, 30 September, 31 December and 31 March)
- completing an annual information return and submitting it to HMRC by 5th 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, rents received, and deductions made by us on their behalf.

