

Client Money Management and Compliance

CASHFAC SOLUTION LITERATURE

Introduction

Cashfac Client Money offers a principles-based solution that meets the requirements of the financial services regulators around the globe.

It fully meets the client money and trust money protection requirements of the different industries within these jurisdictions such as accountants, lawyers, bookmakers, pension providers and property managers.

We believe that good client money compliance is just one part of a strong and efficient money management regime.

Cashfac Client Money does not just offer an internal and external reconciliation solution, it offers a full suite of accounting, banking and reporting functionality that can be quickly configured to bring your firm's cash operations up to best practice standard.

We look at seven areas:

- 1 Agency Banking
- 2 Fully-regulated, Full-Service Bank Accounts
- 3 Client Money Ledger/Client Account
- 4 Internal and External Reconciliations
- 5 Pooling and Project (Forward Cash Forecasting)
- 6 Client Money General Ledger
- 7 Resolution Packs and Reporting

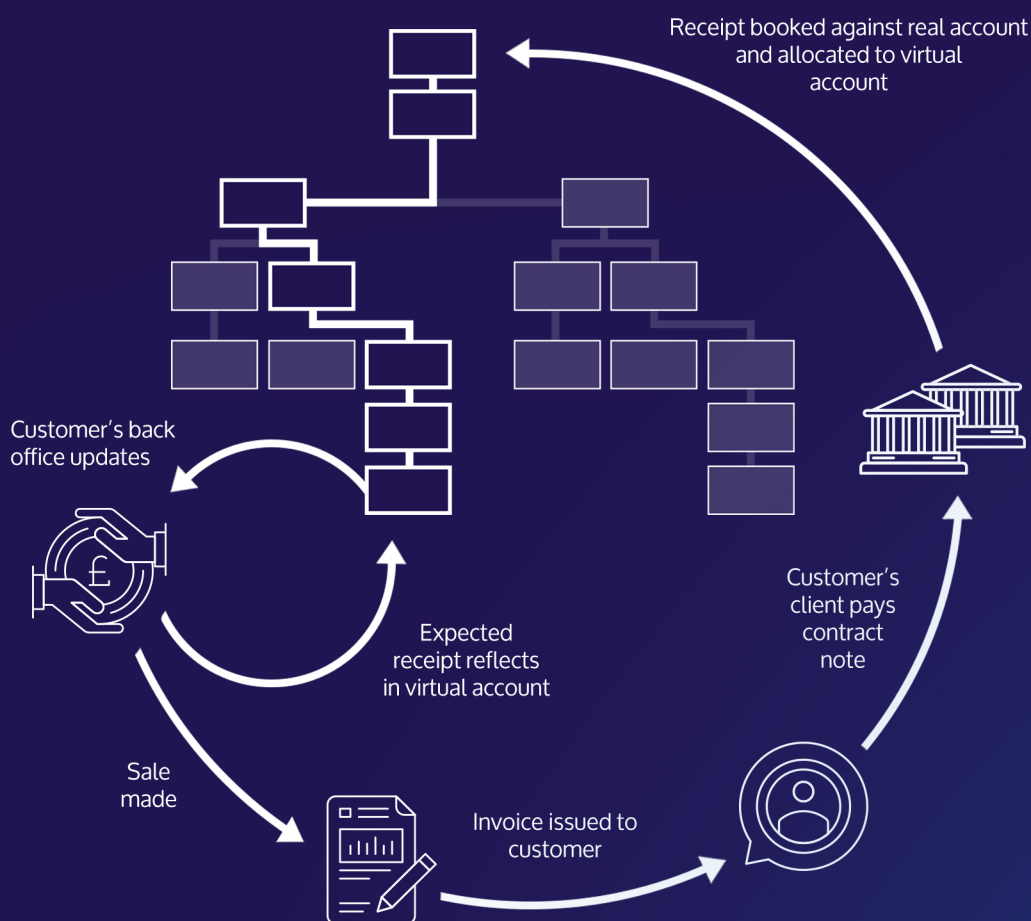
Agency Banking

Cashfac's virtual bank account solution plugs into your existing real bank account and allows you to run a sub-ledger of virtual bank accounts from the real account.

Your firm can easily and cheaply set up a virtual bank account on this sub-ledger for each customer or counterparty. Using Cashfac's solution, which is fully integrated into the banking network, these virtual bank accounts can be given their own IBAN or account number.

This in turn allows customers or counterparties to lodge funds directly to their own virtual bank account through the bank clearing network either by bank transfer, direct debit or, shortly, request-to-pay.

Using this functionality, Cashfac delivers key compliance requirements of **identification**, **designation** and **segregation** of client monies received and virtually eliminates the threat of errors.



Fully-Regulated Full-Service Bank Accounts

Cashfac Client Money solutions are fully-functional bank accounts, allowing you to offer a complete open banking enabled service to your customers from their virtual client money bank account.

The solution can allow your clients to lodge or transfer money directly to the virtual client money bank account held with you with near 100% accuracy.

Our system can also be configured to allow your clients to log on to the account and get a statement and, if required, initiate payments of money either back to themselves or to third-parties.

Client Money Ledger/ Client Account

Virtual bank accounts can also double as your firm's client ledger if your core back office system does not have one.

Alternatively, if your back office does have a client ledger, each virtual bank account can be paired with an existing ledger account on your back-office system. The virtual bank can update the back-office ledger account or reconcile it to actual clearance and settlement when that occurs.

Cashfac's virtual bank account is a hybrid account offering both a banking and accounting ledger on one account.

Cash and future-dated/accrued transactions are recorded but segregated in the one account, giving a full range of accounting and control options through reporting.

Internal and External Reconciliations

Cashfac offers a paradigm shift in its approach to internal and external reconciliation. While the solution offers a fully automatic external reconciliation, using the enhanced primary controls discussed above, our solution minimises the breaks (unmatched transactions) on the reconciliations to the highest extent possible.

With near real-time updates from the banking network now available, Cashfac has transformed the internal reconciliation process. In addition to the static end-of-day reconciliation, it offers a risk monitoring function that reports overdrawn positions/negative balances in real-time.

This solution is fully integrated into the banking and payment functionality, delivering automatic sweeping of cash between firm and client money bank accounts throughout the day once the top up is approved. This minimises and can even eliminate the need for intraday CASS 7 Prudent Segregation adjustments based on estimates. Instead, your client money protection is delivered using real-time calculation and updates of the top up provision required.

Pooling and Project (Forward Cash Forecasting) for Treasury Management

Cashfac's liquidity management functionality allows you to achieve robust client money compliance while ensuring that you can make the maximum amount of pooled funds available for treasury investment to maximise the return that can be achieved on these funds for the firm, client or both.

Client Money General Ledger

Our virtual banking solution delivers full double entry accounting for client money. It is unlikely that your firm can deliver robust client money protection without full double entry accounting to a general ledger.

Therefore, if your firm's existing back office or transfer agency systems do not offer a general ledger, the Cashfac solution will integrate with that system to deliver general ledger functionality. For more information download a free copy of ***Accounting for CASS 7 – How to meet the Operational Accounting Challenges for Client Asset Protection***.

Resolution Packs and Reporting

Cashfac Client Money offers a full range of static and real-time dashboard reporting to give you full control and understanding of all aspects of the client money and cash operations process and status. This allows the Client Money Operational Oversight Officer (what we used to call the CF10a in the UK) to have all the information they require to discharge their duties at a glance.

These reports can be persisted or exported to help complete regulatory returns or deliver a CASS resolution pack.

For product information, to request a demonstration or to speak to us about your business needs, please contact us at www.cashfac.com/contact
