

A GUIDE TO DONATING DORMANT CLIENT ACCOUNT FUNDS

UNLOCKING FUNDS, UNLOCKING TALENT



Dormant Client Accounts

Information for law firms

In 2014, the Solicitors Regulation Authority (SRA) increased the limit of unclaimed funds which can be paid to charity without SRA permission from **£50 to £500**. Unlocking these funds could have a big impact on the work of Koestler Arts.

What are dormant funds?

Unclaimed client account balances are sums of money which lie dormant in the client accounts of many firms of solicitors, often untouched for years. It may be that the rightful owner cannot be traced, or perhaps they will not provide instructions on how the funds should be dealt with. An attempt may have been made to return the money to the client, but the cheque has remained un-cashed.

Regardless of their age or origin, these residual balances can all be disposed of cost-effectively and permanently.

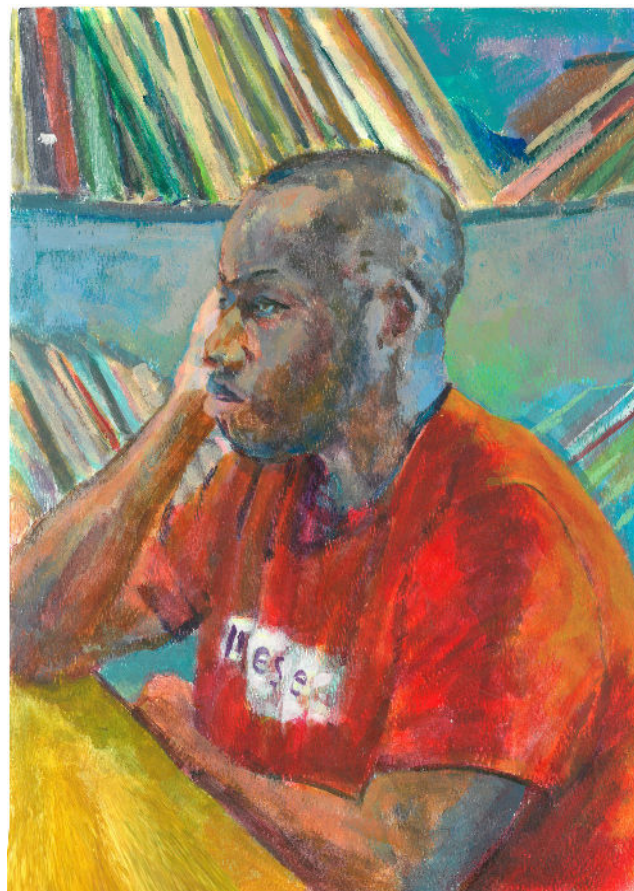
Is SRA permission required to donate these to charity?

The SRA rules that law firms must return money belonging to clients “promptly”, as soon as there is no reason to retain the funds.

Where the rightful owner cannot be traced, rules 20.1 and 20.2 of the Solicitors’ Accounts Rules permit balances **under £500** to be paid to charity without SRA permission, providing certain safeguards are met - this includes taking and recording adequate steps to identify and return the funds to the rightful owner. Amounts **over £500** can also be paid to charity, providing SRA permission is granted and the charity is prepared to take out indemnity insurance. Koestler Arts is happy to do this.

Unclaimed client account balances may not be used for any other purpose and become an administrative burden to Finance Managers, who must analyse and explain their existence to auditors annually.

Donating them to Koestler Arts can help transform lives and build futures.



Inside The Prison Library
Staffordshire and West Midlands Community
Rehabilitation Company
First-Time Entrant Award for Portrait

How it works

In order to comply with SRA rules, a firm must:

- Make reasonable attempts to establish the identity of the money's owner, including use of a genealogical research service;
- Make adequate attempts to ascertain the proper destination of the money and to return it to the rightful owner, unless the reasonable costs of doing so are likely to be excessive in relation to the amount held;
- Pay the funds to charity;
- Record the above steps taken and keep all relevant documentation (such as the attempted correspondence and receipts from the charity). This record must be kept for a minimum of six years; and
- Keep a central register in accordance with rule 29.22.

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It will be for the firm to be satisfied that the steps taken are:

- Appropriate to the unique circumstances of each such residual balance;
- Sufficient to satisfy the requirements of rule 20.2.

Useful resources

- Solicitors Regulation Authority – www.sra.org.uk/guidance – guidance on completing the application form
- Professional Ethics Guidance Team contact details:

Solicitors Regulation Authority
Professional Ethics, The Cube,
199 Wharfside St, Birmingham
B1 1RN
DX 720293
Tel: 0370 606 2577 or
Email: professional.ethics@sra.org.uk
- www.gov.uk/government/publications/pensions-and-insurance-tracing-and-letter-forwarding-service - The Department for Work and Pensions provides a tracing and letter forwarding service.
- Companies House
<http://direct.companieshouse.gov.uk> is useful for establishing the status of companies, details of administrators, registered office details and the names of current and ex-directors including their home address.



The Con That Cracked
HM Prison & Young Offender Institution Parc
Gold Award for Ceramics

- For individuals, a subscription to www.192.com gives access to the electoral role, directory enquiries, director reports and birth, death and marriage records. It also allows you to search by address, which is useful when trying to verify if the last-known address you have for a client is still accurate.
- www.ancestry.co.uk - this site is useful when tracing individuals or next of kin.
- www.titleresearch.com offers a service to assist solicitors with identifying and locating current owners of dormant balances using their Applied Genealogical Research Toolkit.
- Anglia Research Services UK
www.angliaresearch.co.uk has been providing genealogy services for solicitors for over 30 years

Template Letters

Koestler Arts has produced a template letter for use when contacting client account holders about dormant accounts and the release of funds.

The SRA rules state that law firms must make 'reasonable' efforts to contact the client account holder before funds can be released. The template letter provides a guideline which law firms can use to make attempts to engage with account holders.

Simply fill in the details as appropriate in the draft letter and send it to your clients. A copy of the letter can also be downloaded at support-us.koestlerarts.org.uk/donating-dormant-client-account-funds/

How to donate

Please make cheques payable to 'Koestler Trust' (our trading name) and send them to Development Team, Koestler Arts, 168a Du Cane Road, London W12 0TX. Please include a covering letter including the client name and reference number.

Alternatively, please transfer the funds to Account Name: Koestler Trust, Account Number: 06428967 Sort Code: 51-50-01. Please include your firm's name in the transfer reference and write to the above address or email info@koestlerarts.org.uk with the donation details so we can send a receipt.

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Information for law firms

Why Koestler Arts?

Since 1962 the Koestler Awards have played a unique role in motivating prisoners, secure hospital patients and immigration detainees to take part in the arts. The awards are simple and powerful. We reward achievement, build self-confidence and broaden horizons for some of society's most disadvantaged and marginalised people.

Our experience and a growing body of evidence tells us that engaging with music, visual art, design and creative writing allows prisoners to explore their experiences and capabilities, learn new skills, and can be a catalyst for positive change.

“Without the Koestler Awards I would have had nothing in prison to show me that I can change, and that I could make a new future for myself. Hearing people say positive things about my work is a new experience and drives me to keep trying.”

Koestler Awards entrant, 2018

Each year we receive more than 7,000 entries from over 3,500 entrants across the UK in 52 artform categories. More than 2,000 awards are granted by over 100 esteemed judges. Each year culminates in a curated exhibition at Southbank Centre, which showcases the power of the arts to change lives.

Entrants are given feedback on their work, recognition for their achievement and a chance to benefit from exhibitions, sales and a mentoring scheme. Through our annual exhibition at Southbank Centre and regional exhibitions across the UK, we aim to share the talent and potential of prisoners and people in secure settings with the public.

Koestler Arts is completely dependent on voluntary donations and the generous support of our donors and partners to support its activities.

Donating unclaimed client balances to Koestler Arts can ensure that inactive money is used to help us transform individuals' lives as well as their relationships with their families and the wider community.



Sweet Sensation
HM Prison Send
Gold Award for Needlecraft

Recognising your contribution

Koestler Arts is truly grateful to all firms who choose to support us by donating the sums in their dormant client accounts. On receiving a donation, we will:

- Send an official certificate of thanks
- Record your firm's support on our website, linking back to your site
- Provide an endorsement logo for use on your website, showing you are supporting Koestler Arts
- Invite you to the preview of our national exhibition

Information on the size of donations will remain confidential, unless agreed otherwise with a donating firm.



Leggit
HM Prison & Young Offender Institution Parc
Platinum Award for Ceramics

Template Letters

for finance managers

A. Sample final letter to send to the owner of dormant funds.

It should be accompanied by Letter B which provides more information about Koestler Arts (also available to download on our website).

[On your letterhead]

Date

Dear [name],

Following a review of our accounts, it has come to light that we hold in our client account the sum of £xxxxx on your behalf. Accordingly, I am writing to you to ask whether you wish this sum to be returned to you.

We have made two previous attempts to return this money to you on [date] and [date] but to date we have received no reply.

If you prefer not to accept receipt of these funds we would be happy, with your permission, to donate them to the charity Koestler Arts (details of which are attached).

Alternatively, if we do not hear from you within [xx] days, we will consider that these funds fall within the Rule 20.2 of the Solicitors' Accounts Rules and make arrangements to donate them to Koestler Arts. The money will go towards their work inspiring prisoners, secure patients and detainees to take part in the arts, work towards positive achievements and transform their lives.

Yours sincerely,

[Name]
Finance Manager/Senior Partner
Enc. Dormant Client Account Funds
Unlocking Funds, Unlocking Talent with Koestler Arts

Template Letters

for finance managers

B. Letter to accompany the final letter (Letter A) to owner of the dormant funds.
This template letter provides more information about Koestler Arts.

Dormant Client Account Funds

Unlocking funds, unlocking talent



Koestler Arts is the UK's best-known prison arts charity. For over 50 years, we have inspired prisoners, secure patients and detainees to take part in the arts, work towards positive achievements, and transform their lives.

Our experience and a growing body of evidence tells us that engaging with music, visual art, design and creative writing allows prisoners to explore their experiences and capabilities, learn new skills, and can be a catalyst for positive change.

“Without the Koestler Awards I would have had nothing in prison to show me that I can change, and that I could make a new future for myself. Hearing people say positive things about my work is a new experience and drives me to keep trying.”

Koestler Awards entrant, 2018

Our unique award scheme generates over 7,000 entries each year from establishments across the UK. We accept work in 52 different artforms including poetry, painting, film, sculpture, music and drawing.

Entrants are given feedback on their work, recognition for their achievement and a chance to benefit from exhibitions, sales and a mentoring scheme. Through our annual exhibition at Southbank Centre and regional exhibitions across the UK, we aim to share the talent and potential of prisoners and people in secure settings with the public.

Koestler Arts has no capital or endowment, and is dependent on voluntary donations and the generous support of our donors and partners.

Donating unclaimed client balances to Koestler Arts can ensure that inactive money is used to help us transform individuals' lives, and their relationships with their families and the wider community.

Further information about Koestler Arts and the work we do can be found at www.koestlerarts.org.uk.

Thank you.

Support Us

Other Koestler Arts Schemes

Sponsor Our Work

Support our core work through a donation or sponsorship of our UK or regional exhibitions, and you will be helping us to reach and motivate more individuals in secure settings. For example, sponsor our Visitors' Choice Award for £5,000 and we will credit your organisation on all exhibition print materials, our website, and you will receive a complimentary Named Award.

Name an Award

Give a Name to a Koestler Award in an arts category of your choice, and reward achievement, build self-confidence and broaden horizons for some of society's most disadvantaged and marginalised individuals.

You will receive a copy of your award-winning artwork and invitations to exclusive supporter events and exhibition openings throughout the year. Most of all, you will be helping us to continue our work motivating and raising the self-worth of those who need it most.

Request a Display

If you are an organisation with blank walls looking for a unique way to liven up your premises and support our work, please get in touch to discuss Koestler Displays.

Art in Offices

We can offer curated selections of artworks from the Koestler Awards, tailor-made to your specifications and interests. We will assist with your selections, and co-ordinate framing, wall labels, delivery and installation.

100 for £100

If you have a waiting room or meeting room in need of artwork, and would like a very cost-effective way of improving your environment and offering unique artworks for sale, contact us to discuss 100 for £100.

We have 100 artworks framed and ready to adorn blank walls. The scheme allows you to display artworks for sale, on loan for a whole year on a sale or return basis.

Find more information at <https://support-us.koestlerarts.org.uk>, or please email info@koestlerarts.org.uk or call us on 020 8740 0333 to discuss further.



Cornflower Blue
HM Prison Leyhill
Doughty Street Chambers Visitors' Choice Platinum Award,
Needlecraft



New York Jungle
Northgate Hospital
Criminal Bar Association Platinum Award for Painting





"The recognition of our efforts is what makes having the Koestlers so important. I've seen prisoners in tears reading feedback forms, and I've been one of them. Being able to exhibit work in a non-judgemental environment and to have the sincerity of that work acknowledged has certainly meant an enormous amount to me."

Koestler Awards Entrant 2018



Front cover image: *Art Class*
HM Prison & Young Offender Institution Parc
James Wood QC Silver Award for Painting

Back cover image: *Letter to My Mother*
HM Prison Channings Wood
First-Time Entrant Award for Watercolour