



## What is a float and why do we need one?

This guide will help clarify the float payment that may be required for your property and explain why, if applicable, this is needed.

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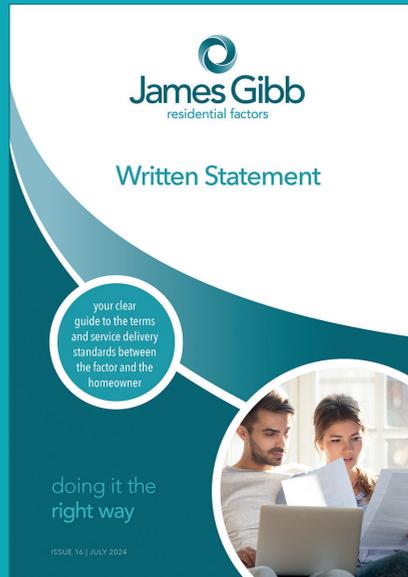
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At James Gibb residential factors, we strive to offer an exemplary level of service at all times.

This guide, and others produced, should help answer any queries you may have.

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James Gibb residential factors is a trading name of James Gibb Property Management Ltd, registered as a limited company in Scotland (No. SC 299465).

Registered office: Red Tree Magenta, 3rd Floor, 270 Glasgow Road, Glasgow, G73 1UZ

Registered Factor No.PF000103

## What is a float and do I need to pay one?

We understand that the ins and outs of having a factor can sometimes be a little unclear. However, we want to help you understand matters more easily and increase transparency, so you know exactly where your money is going and what we do for you. The payment of a float is often an area that many people are unclear on, but it is important in many of our developments as it allows us to be in funds to carry out the essential maintenance and repairs to ensure your development is kept in a good condition.

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### What is a float?

When James Gibb is appointed as factor or a new homeowner moves into one of our factored developments, we may ask you for a 'float' payment. The need for a float payment depends on whether we charge you in arrears or in advance for our services.

If we charge you for our services in arrears, we must have your development constantly in funds to give us the ability to pay for the services, utilities, etc. performed on an on-going basis, on your behalf. Payment of a float should ensure funds are available.

We also invoice all our insurance charges in arrears (unlike many other property factors) so the float must meet this cost as well.

Normally, in developments that are on "budgeted" payments i.e. payment in advance, floats are not required. For cashflow purposes, some budgeted developments are required to pay a float.

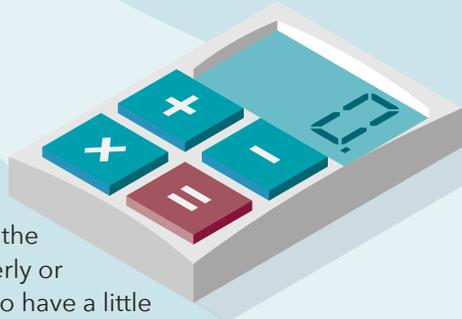
Your *Development Schedule* illustrates what float, if any, applies to your development. *The Written Statement of Services* is available on our website and your associated Development Schedule can be found on your James Gibb+ Portal via our website or on the JG+ App.

 If you do not have access to the internet, please contact your regional office for a hard copy.



## How much will the float be?

The level of float required will vary depending on the type of development you live in, what services we have been asked to undertake and the expected annual expenditure. Typically, the float should equate to at least an average quarterly or six monthly costs, although it is always prudent to have a little contingency over and above this to cover any unexpected costs.



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## Float top ups

From time to time, we may ask you to provide a top up to the float payment as costs will inevitably rise over time due to inflation. We will only do this where the float payment we hold is not sufficient to cover the estimated quarterly or six monthly expenditure for your development.

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## Returning your float payment

When you sell your property, your float is returned to you. This will appear as a credit on your final invoice which will be produced at some point after the sale has concluded.

Since there is often a time lag between the sale date and the receipt of some invoices that have to be charged to the seller, it is not possible to produce a final invoice on, or around, the date of sale.

Timing of your final invoice depends on the way in which you are invoiced (e.g. quarterly in arrears, annually in advance etc.). Your *Development Schedule* will identify when you should expect your final invoice / float return.

Please note that any float payments will be returned less any outstanding balance on your account.

If you need to know the exact amount of your float payment, or, indeed, if a float payment applies, this information is contained within your *Development Schedule*.



More information regarding floats can be found on our website within the Documents and Guides section. If you have any questions about your float, or other factor matters, please contact your regional office.