



3. Finance & Fees Policy

This policy links to the following Legislation & Key Guidance

- Early Years Funded Free Entitlement for 2, 3, & 4 yr. olds
 - Gloucestershire Local Providers Agreement
 - GDPR May 2018
 - Nursery constitution
 - Charity Commission

Unique Child	Positive Relationships	Enabling Environments	Learning & Development
Every child is a unique child who is constantly learning and can be resilient, capable, confident and self-assured.	Children learn to be strong and independent through positive relationships	Children learn and develop well in enabling environments with teaching and support from adults, who respond to their individual interests and needs and help them to build their learning over time. Children benefit from a strong partnership between practitioners and parents and/or carers.	Children develop and learn at different rates. The framework covers the education and care of all children in early years' provision, including children with special educational needs and disabilities.

3.1 Finance

Policy Statement

We aim to ensure that all Nursery finances are dealt with fairly, efficiently and with full accountability to maintain a stable financial position which will allow the Nursery to continue providing the best possible service to its stakeholders. We will endeavour to safeguard the assets and resources owned by Nursery and ensure that “best value” is obtained in all transactions.

Procedures

Nursery Budget

The accounts of the Nursery are to be maintained on a day-to-day basis by the administrator. All income and expenditure will be entered promptly in the accounts. Bank reconciliation will be performed monthly when bank statements are received, between the balance as per the accounting record and the balance as per bank statements.

Budgetary control and monitoring

The Committee and the manager are responsible for regular, detailed control of the Nursery budget. To achieve this, they will receive monthly reports from the Administrator.

Monthly Reports.

Cash flow.

Profit & Loss

Finance will be a standing item on the agenda of each committee meeting to ensure that the committee have opportunities to question and if necessary, challenge the reports they are issued with. Any issues raised at this time will be put into the minutes and taken back to the Financial Administrator for further information or resolution.

The Committee Treasurer or another committee member will, from time to time, track random transactions on the Nursery accounts to ensure that correct procedures are being followed throughout the process.

Time sheets

All time sheets submitted by the staff must be checked & authorised by the Manager. Authorised time sheets must be given to the administrator for payment.

Pay-related expenses

All pay-related expenses must be processed by the administrator with the monthly payroll

Signatories

The following can sign cheques on the bank account: -

Any two out of three authorised members of the Committee, (usually the officers). There must be two signatures on each cheque.

Final accounts and audit

Final accounts are prepared at the end of the Nursery financial year by the Administrator. The accounts will be audited by an auditor appointed by the Committee. The auditor will not be a member of the Committee Body.

The audited accounts MUST be presented to the full Committee for approval at the AGM. Committee approval must be recorded in the minutes of the meeting.

The administrator MUST submit audited accounts to the Charity Commission.

Purchasing

Ordering

Nursery procedures for purchasing should ensure that purchases are as required, are for bona fide purposes and provide best value.

Orders should be processed by the Manager or Administrator after initial approval by the Committee has been sought and given (if applicable).

Official orders must not be used to procure goods for private purposes.

Financial Ordering Limits.

Up to £500. Nursery Manager

£500 - £1000 Chair of Committee

Over £1000 Full Committee Body (having first obtained 3 prices from suppliers and selected best value)

Over £3,000 Full Committee Body (having first obtained 3 written quotations and selected best value).

All orders over £200 should be made after consultation with the Financial Administrator to ensure sufficient funds are available at that time.

Invoice check and authorisation

Invoices received must be checked on both copy orders and delivery notes to ensure that invoices relate to goods ordered and delivered. Invoices should also be checked for arithmetical correctness. All invoices must be certified for payment by the Administrator before being paid.

Invoices passed for payment must be recorded promptly in the Nursery's accounting system by the administrator.

Petty Cash

Day to day operation of the petty cash account is the responsibility of the Administrator.

All petty cash expenditure, and reimbursement income, must be promptly recorded in the petty cash record.

All cash and cheque books held must be retained securely.

Declaration of Interest

To ensure transparency, any interest, financial or otherwise, which could improperly influence a decision concerning the running of the Nursery, should be registered by any member of staff or committee, and they should take no further part in that decision.

Examples of an interest could include, but is not limited to, a family member or friend providing trade services, or a company providing an individual with incentives to influence a decision.

Any staff member who sits on the committee or is attending a meeting, should remove themselves when staff issues, such as terms and conditions of employment, salaries, etc., are discussed, unless the rest of the committee request they remain, in which case they should remove themselves when any decision/vote is being made.

Receipt of Gifts or Incentives/Bribery

Employees should report to the Manager or Financial Administrator immediately any attempt to influence a decision by provision of a gift or incentive which is specifically directed at an individual rather than of benefit to the Nursery. Incentives, such as free gifts for Nursery, will only be accepted if the related transaction also provides best value, and must not be the sole reason for the transaction.

Employees are, however, permitted to accept gifts from parents of children in Nursery which are intended as “thank you” gifts or for special occasions, e.g. Christmas. Such gifts will be shared fairly amongst all employees unless personally addressed to an individual member of staff.

3.2 Fees

3.2.1 Payments and Restrictions

Policy Statement

The Nursery will seek payment from you for all hours that your child attends our setting unless they are entitled to funding from other sources.

Procedures

- **Fees are payable in advance for all sessions that you book your child into Nursery.** They are still payable in the event of sickness or holiday as the Nursery reserves your child’s place for them. An administration charge will be added to any reminder letters for overdue fees.
- Exceptions to the above are if your child must attend hospital or if your child receives funding for the place.
- In the event of exceptional circumstances such as a pandemic, government guidelines with regard to attendance and fee charging will be followed.
- If your child misses 8 sessions, 4 days or 4 weeks (whichever comes first) without prior arrangement then their place becomes forfeit and Nursery will seek to recover any outstanding fees (see section 3.2.2 Debt Recovery). If you still wish a place for your child and spaces are available, they will be re-admitted on payment of outstanding fees. If spaces are not available then they will go onto the waiting list but their back fees must be paid.
- Free for 3 & 4 year olds: some children may be covered by free entitlement funding from the Local Education Authority (LEA) for Nursery sessions. The current grant is paid three times a year (Autumn, Spring, Summer) which means that your child will receive funding from the January, April or September following their third birthday. Parents will be required to sign a funding claim form for each term, and will be asked to include their National Insurance number to identify possible Nursery entitlement to Pupil Premium payments (although this is optional). Funding is for 15 hours over 38 weeks (minimum 2/maximum 6 hours/day). Any additional hours **MUST** be paid for at the current rate (please check with a member of staff or Committee for up-to-date rate).
- Where a child attends more than one setting and for a total of more than 15 hours, parents can choose how they apportion the funding between providers, and any hours not covered will be chargeable at the current rate.
- Some parents may be eligible to claim extended funding, up to a total of 30 hours per week, if they meet the qualifying criteria. Details and a calculator can be found on www.childcarechoices.gov.uk. Eligibility has to be renewed each term and **it is the parents’ responsibility** to ensure that they have obtained the relevant voucher code to pass to Nursery to validate the funding. Failure to provide this in time will result in funding being withdrawn and any childcare hours used over the basic 15 hours

funding will be chargeable at normal Nursery rates.

- In certain circumstances parents may be able to apply for Achieving 2 Year Old Funding. Parents should in the first instance contact the Family Information Service, details on Gloucestershire County Council website.
- The Nursery reserves the right to amend its policies on funding at the discretion of the Committee or the awarding body.
- Your child's place can become forfeit in the same way as fee paying children.
- Parents should inform Nursery if their child is going to be absent or is ill, as the Nursery is audited by the LEA for any discrepancies between attendance and information about children in receipt of grant funding, through the Early Years Census. It is also an important Safeguarding requirement allowing us to keep track of and identify patterns of absence which may cause concern.

3.2.2 Debt Recovery Policy

Policy Statement

To enable the setting to remain sustainable we have a business requirement to recover all sums due to Primrose Hill Nursery efficiently and effectively. Our collection and debt recovery policy ensures that collection methods are fair to everyone, taking into consideration those on low incomes.

It is recognized that people do not pay their debts for a variety of reasons. Some people, because of living in or on the margins of poverty, will have difficulty in paying. Nursery will endeavour to help such people and minimise the impact of debt on them.

Some people may deliberately set out to delay or not make payments and all methods of enforcement will be used to secure payment in these cases.

Some people may be able to pay but do not pay because of an oversight or personal difficulties and not because of a deliberate decision to avoid or delay payment. Nursery will seek to help such people by developing a culture of payment by encouraging them to get in contact and discuss any difficulties.

The need to get in touch is central to the policy. Where a person makes contact their circumstances will be considered with a view to agreeing a reasonable payment arrangement, minimising recovery action and helping to alleviate hardship. Where people fail to make contact or maintain arrangements, recovery action will continue.

The aims of the policy are to:

- Take positive action to prevent arrears occurring, for example by providing different payment methods according to need.
- Encourage customers to make early contact to avoid buildup of debt.
- Ensure prompt billing and to remind people quickly if they do not pay.
- Help to identify deliberate non-payers or people who delay payment
- Make sure that when we take enforcement action it is appropriate and likely to be effective
- Take enforcement action against deliberate non-payers or those who delay payment
- Mean that by being approachable people will be more willing to make contact when they first face difficulties

Where customers have fallen or are likely to fall into arrears, Nursery will work with them to set reasonable payment levels that they can maintain.

Procedures

- Fees are charged on a daily, weekly, monthly basis or by the term. Usage that extends over session limits or cutoff times will incur the hourly charge unless otherwise negotiated with the Manager.
- Fees are paid for **in advance**.
- **One week's notice** is required for any cancellation or alteration of your booking
- Payment of fees is necessary to retain your child's place at the setting this includes when your child receives Free for 2, 3 and 4 Year Old's. All accounts must be paid by the due date. Payment may be made by cash, cheque or bank transfer (details on invoice).
- If the account is not paid when due, and no contact has been made with the management of the setting your child will be suspended from Nursery until the account is settled in full. (This will also take effect even if your child is in receipt of Free for 2, 3 & 4 Year olds)
- Accounts are issued by the term and are payable within 7 days. Payments can be made to our Financial Administrator who will be at the setting on Tuesday/Friday mornings or at any time during the week to any staff member. Please put monies or cheques into a sealed envelope with your child's name on the front and the amount included.
- Late accounts will have administration costs added to their outstanding debt:
 - Interest will be added on a daily basis to the outstanding debt at a rate of 8% plus the current base rate as of 30th June or 31st December (according to the billing period)
 - Compensation for late payments

Amount of debt	Payment to creditor
Up to £999.99	£40
£1,000 to £9,999.99	£70
£10,000	£100

(Taken from Dept for Business, Enterprise and Regulatory Reform, Sept 2010)

- Holidays – Fees must continue to be two (2) weeks in advance and should be paid to the Nursery prior to going on holiday.
- Emergency Closure – should the nursery close at short notice due to unforeseen circumstances e.g. severe weather then the nursery will offer days in lieu where possible or a refund of fees (outside of government funding) will be issued
- Reductions or remissions are not available for days of non-attendance.
- Session times close at 11.50am, 12.50pm and 2.50pm. If your child is collected after the times you have booked, then fees will be incurred at the full cost of the hourly rate up to the time that you pick up.
- Further instances of late collection will result in the Gloucestershire Children's Safeguarding Partnership (GSCP) or the police being called to collect the children (*see Contingencies Section 6.2*).
- Any parent experiencing difficulties with payments should contact the Manager immediately
- As a final measure the small claims court procedure will be initiated. All expenses incurred by such a route will also be payable.