

Bramfield Stepping Stones Pre-School

Finance Policy

Policy Statement of Intent

To provide a clear and consistent operating document detailing the various aspects of financial management that may occur within Bramfield Stepping Stones Pre-School (the 'setting'). This financial policy is established to ensure that the safe provision of child care and education can be met through the long term viability of the setting.

Aim

To ensure that both parents and staff have clear guidelines on how the setting's financial management is based and implemented.

Financial Procedures

Sound financial management is central to the effective running of this early years setting, and it is vital that finances are appropriately planned, monitored and controlled. There are certain financial regulations that all businesses should follow. In addition, the financial regulations governing charities are particularly rigorous due to charities (such as our setting) being established for public benefit and public money is held in trust by the charity for that purpose.

The charity trustees are ultimately responsible for ensuring that the setting's finances comply with these regulations. The setting employs Lovewell Blake Chartered Accountants to carry out an annual review of the accounts to ensure all financial regulations are complied with. The Treasurer with the assistance of the Admin Assistant is responsible for the routine financial administration of the setting. As a registered charity, the Trustees are also responsible for ensuring that the finances are managed in accordance with the setting's governing document (constitution).

Our setting also needs to maintain systems for ensuring that the accounts are accurate. Therefore no single person should have too much involvement in any one process – for example these include the requirement for two signatories to make any written instructions to the bank, to sign cheques or to complete online transactions, the Treasurer and Admin Assistant conduct regular reviews of outstanding child invoices and reconciliations which are then reported at the termly management committee meetings.

Financial records

The setting maintains and keeps adequate financial records, which include:

- Bank statements

- Cheque book
- Paying-in book
- Photocopy of bank mandate (for cheque signatories)
- File of paid invoices
- File of unpaid invoices
- List of unpaid fees (if any)
- Copies of past sets of accounts
- A file of regular finance reports from the Treasurer (part of minutes from Committee meetings)
- Contact details for an independent examiner, accountant or financial advisor.

Cash flow

The cash flow forecast shows, for each month for the current school year, the cash going into the bank and being paid out of the bank. The cash flow forecast is updated each month with the actual movements in cash and future months are re-forecast as required, keeping an up to date view of potential future cash flow issues. This is particularly important if funds are tight.

Banking framework

The setting operates three Barclays bank accounts – one being a ‘Business Saver Account’ which is interest earning (account number 63648478), another an Active Saver Account (number 53806227) and the third being a ‘Community Account’ which is the working account through which all frequent receipts and payments are made (non-interest paying, account number 23552802). The accounts are supported by a Business Banker at Barclays Bank plc, Waveney Valley Branch, New Market Place, Beccles, Suffolk, NR34 9HD, sort code 20-92-08.

As stated above, the setting is a registered charity (number 1109971), and it requires all banking transactions to be authorized by two signatories, specifically nominated in writing as authorized signatories of which a copy of the bank mandate is held. Online bank transactions can be carried out by the Admin Assistant that is also a signatory on the account. These transactions must have paper evidence (invoice, expenses claim form) that is signed by a trustee before the payment is made online. The Admin Assistant will also pay wages online using the payslips provided by Lovewell Blake as the basis of the payment. The Treasurer also has access to Barclays online to authorize payments, to view the transactions in the bank account and to be able to question anything they are unsure about. Electronically transferred payments (e.g. grants and Local Authority funding) are paid directly into the Community Account.

Grants

Financial grant support may be sought from outside agencies or organizations and will be paid into the Community Account. Local Authority early years funding is also paid by BACS transfer into this account in frequent sums. These sums typically arrive in two stages during each term, the first being an estimated partial sum, and Bramfield Stepping Stones Pre-School Finance Policy

the second being the final (balance) amount due from funding applications made by the setting at the start of each term.

Suffolk County Council provides funding for three-year olds qualifying on a nominated day each term. This enables the child to attend a total of 15 hours of session time per week at any care provider registered with the Authority. Parents of eligible children are required to complete a funding form each term to benefit from this grant. Funding application forms are coordinated by the setting Supervisor, who requests session requirements from parents before returning these back to the Local Authority for payment claim to the setting by BACS transfer. It is this funding requirement which sets the total Early Years funding which the setting receives each term.

Fund Raising

Parents, carers and other local community organizations occasionally raise money through various fund raising activities, which is encouraged by the setting's committee.

The setting is also registered with Easy Fundraising. Parents and staff are encouraged to register with Easy Fundraising, when they make a purchase online they can nominate the setting to receive a donation. These donations are then transferred to the settings community bank account on a quarterly basis.

Payroll (Including tax and other statutory contributions)

The setting pays its staff and is therefore an employer. It is therefore registered under the Pay As You Earn (PAYE) scheme with HM Revenue & Customs. As a registered setting, we receive the initial information pack and ongoing updates from HM Revenue & Customs. The charity trustees are responsible for ensuring that staff salaries, tax, national insurance and any other deductions are calculated accurately and that salaries and deductions are paid to the appropriate person or body (e.g. HM Revenue & Customs, pension company or union). The setting's appointed accountants for payroll are Lovewell Blake Chartered Accountants (The Wherry, Quay Street, Halesworth, IP19 8ET), who advise what the setting's payroll payment obligations are (e.g. to HM Revenue and Customs). The payments to HMRC are paid monthly direct from Barclays in accordance with a letter received from Lovewell Blake detailing the amount to be paid and the date it is to be paid by.

Salaries are calculated from the 1st day of each month, but paid in arrears by BACS transfer from the Community Account on the 25th of the month. When the 25th lands on a weekend the payment will be made on the Friday prior to the 25th into each staff member's nominated account. Salaries and hourly rates of pay are reviewed annually prior to the start of the new school year.

Wage slips are posted to the Admin Assistant from Lovewell Blake for distribution to staff.

Staff wages are paid directly from the Community Account as described above, net of Tax, National Insurance and other deductions. The wage calculations and processing are carried out by Lovewell Blakes. All staff wages are paid in this manner, with new staff being registered in this way typically by submission of a P45 tax form to the Treasurer, who then completes the setting's information and passes the form on to Lovewell Blake.

Additional Hours

Staff members sign in daily on a staff signing in sheet held on a clip board in the foyer at the setting. When additional hours over contracted hours are worked these are identified on the signing in sheet as extra hours due for payment. The setting supervisor must then approve the staff member's additional hours. On or around the 20th of the month these additional hours are sent via email to Lovewell Blake in order for them to be paid in the current month wages

Where attendance of training courses etc requires a staff member to work additional hours outside their normal contracted working hours, these will be reimbursed using the same method as above.

Pension

Through the Financial Planning department at Lovewell Blake, Stepping Stones complies with the auto enrolment requirements. A scheme has been set up with 'The Peoples Pension' and is administered by Lovewell Blake.

Staff Expenses

Where a staff member incurs expenses for the setting, such as through the purchase of goods and equipment, this must be claimed by the staff member using an expenses claim sheet. The setting supervisor must then approve the staff member's expenses sheet, and then forward it to the Treasurer or Admin Assistant for payment by online payment.

The expenses form must be received by the treasurer no later than three months from the receipt date.

Travelling

If travel is necessary in support of the setting (e.g. to attend staff training or collect equipment), staff members can claim for using their own vehicle to travel to and from that location. Travel will be reimbursed at 45 pence per mile. If travel occurs on the staff member's normal working day, then 'home-to-work' mileage will be deducted from the overall distance travelled. If the staff member uses their own car for travel on a non-working day, then the full distance travelled can be claimed (i.e. without deducting 'home-to-work' mileage).

Where other travel methods are used by a staff member (i.e. not their own vehicle), then the full cost of travel should be claimed for reimbursement (e.g. for rail, taxi, or bus use).

Fees

Fee setting

As a minimum, the setting Supervisor, Chair, Treasurer and Secretary will meet before the beginning of the academic year to discuss and set the following year's fees for sessions and lunch clubs. This will ensure that fees are clearly agreed and established prior to parent and carer welcome packs being sent out, and first term invoices prepared.

Non-funded children/session times

Fees are set annually by the Trustees prior to the start of the new educational year. Morning sessions are 3 hours and afternoon sessions are two hours in length. These sessions are separated by an hour for lunch for which there is a separate charge.

Funded Children

Subject to the date of their third birthday, children over 3 years are eligible to have their sessions funded by the government and parents can apply via the setting Supervisor. The Local Authority currently provides a maximum of 15 hours/week for each child by funding – however parents and carers may elect to use some of this weekly funding at other provider(s), meaning that only the balance can be used to credit that child at this setting. Any additional hours which a child attends the setting each week beyond the funded hours, will be charged separately.

Funding for two year old is available subject to eligibility, and a "Golden Ticket" being received.

Funding of up to 30 hours per week for 3 and 4 year olds is also available to parents that meet certain criteria (i.e both parents earn a minimum of £120.00 per week)

Lunch Club

A child can stay at the setting for Lunch Club, a parent or carer may either provide their child with a packed lunch, or elect that they have a school dinner for which there is an additional daily charge of £2.30.

Invoicing

Child session fees are billed by invoice, and conditions are set out in the children's 'Welcome Pack' letter which is issued to all parents and carers before their child attends the setting.

Invoices will be issued during the first week of every half term and should be paid within 14 days (unless a separately agreed arrangement for fee payment is in place). The invoice also gives a date that the invoice must be paid by in order to avoid a £30 admin fee.

The invoice will confirm the sessions and lunch clubs that the parent or carer has chosen for their child to attend during the invoice period.

The invoice will also show any extra sessions that the child attended during the previous term and also any dinner money that is outstanding.

Payment Methods

There are several payment methods accepted by the setting – further details will be provided to parents and carers on request. Three voucher payment methods have been established, and others may be considered upon request from a parent or carer to the Treasurer. Payment methods include:

- Cash (preferably not more than £20)
- Cheque (made payable to 'Bramfield Stepping Stones Pre-School')
- Childcare Vouchers:
 - Accor Services / Edenred (account number P20368119)
 - Computershare (carer reg. Number 0014399171)
 - Fideliti Childcare Vouchers
- Tax Voucher payments
- BACS payments (Account Name: Bramfield Stepping Stones Pre-School, Sort Code: 20-92-08, Account No: 23552802).

All fees must be accompanied by the “tear-off” slip on the bottom of the invoice and be placed in the fees cabinet in the setting entrance foyer, clearly labeled with the child's name. Receipts will only be issued when requested by the parent or carer. Payment plans may be considered, but these must be agreed by committee.

Fees continue to be payable if a child is ill, absent without notice or on a planned holiday. In case of prolonged absence, parents should consult the committee about fee payment. Unless there are exceptional circumstances fees will not be credited for missed sessions or lunch clubs.

Additional sessions for children may be accommodated on prior arrangement with the supervisor if a space is available. Impromptu sessions and/or lunch club attendance will be paid for either on the day or charged for on the next half termly invoice. Payments must be placed in an envelope indicating the child's name and the date of the additional session(s) and/or lunch clubs attended, and then placed in the fees cabinet.

Non-collection of children

If at the end of a session a child is not collected, the setting will follow the procedures as set out in its policy "Non-Collection of Children". The child will remain in the care of qualified pre-school staff, and depending on circumstances the right is reserved to charge parents or carers for the additional hours worked by staff.

Dinner Money

Dinner money should be paid either in advance of the dinner being taken or on the day. Parents can request that dinner money for the forthcoming term is charged on the invoice, in these cases if a dinner is not taken due to the child not being in or having a packed lunch instead then a credit for the missed lunch is taken off the next invoice.

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Fee payment monitoring

The Treasurer / Admin Assistant will monitor all child invoice payments throughout the term, liaising closely with the setting Supervisor and then reporting to the committee on any outstanding debts.

Overdue Fees

When fees are not paid by the normal due date i.e 14 days after the invoice date, an email reminder will be sent to the parent or carer highlighting an invoice due for payment, and requiring payment within 7 days. See example email Appendix 1.

If after this period no payment is received, a letter will be sent to the parent or carer, requesting immediate payment. See Appendix 2 for example letter. If no payment is received from the second demand then a third demand will be sent (Appendix 3), if after this demand no payment is received then a final demand (Appendix 4) will be issued (this written notification will clarify actions which may be taken by the Trustees should the parent or carer not settle the invoice, highlighting the £30 admin fee that will then be added to their bill). If during this time the parent / carer replies with a reason for non-payment then these considerations are taken into account and a payment plan arranged if appropriate.

If the invoice has not been cleared in full by the last day of the half term that is being charged then a £30 admin fee is payable and will be added to the next invoice. This fee is payable monthly until the invoice is cleared in full.

If no payment is received and no mitigating circumstances are known by the Supervisor or committee, then the Treasurer shall as a minimum meet with the Chair and Supervisor and agree action to be taken. Such actions may include withdrawal of the session provisions to the child, and mechanisms to recover the unpaid fee from the parent or carer.

Purchases for the setting

These can be made in a number of ways, via ordering or individual purchases. Suffolk County Council has an ordering service, which can be used for equipment and cleaning materials. Other necessary or educational items can be purchased by staff. Any proposed purchase of a single item in excess of £50 should be agreed with the Trustees/Management Committee prior to purchase.

Payment of setting supplies and Services

The setting requires services, equipment and materials to ensure its continued operation. Electricity bills are paid direct to the Bramfield Village Hall committee by the Treasurer or Admin Assistant, upon termly receipt of an itemised bill (electricity consumption is measured by a meter installed downstream of the main Village Hall supply). Telephone bills are paid by quarterly direct debit to British Telecom. Rent

is paid to the Village Hall Committee by the Treasurer or Admin Assistant, upon periodic receipt of a termly-based bill.

Useful contacts

Charity Commission: www.gov.uk/government/organisations/charity-commission
To report a serious incident: <https://www.gov.uk/complain-about-charity>
Online form queries: <https://forms.charitycommission.gov.uk/enquiry-form/>
Companies House: www.gov.uk/government/organisations/companies-house
Enquiries: 0303 1234 500
HM Revenue & Customs: [/www.gov.uk/government/organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)
Enquiries: <https://www.gov.uk/contact-hmrc>
The setting may contact the Business Support Officer at the local council or an independent financial advisor for further information, advice and support in managing their finances.
Information Services:
Pre-school Learning Alliance, 50 Featherstone Street, London, EC1Y 8RT.
Tel: 020 7697 2500. www.pre-school.org.uk

Further information

Financial Management (Ref. A119) Pre-school Learning Alliance
Accounts Record (Ref. A102) Pre-school Learning Alliance
Charity Reporting and Accounting (Ref: CC15a) Charity Commission
Accounts Monitoring - Charity Commission

The committee and staff reviewed this policy on 12th November 2018

Signed on behalf of the Management Committee _____
(Print) (_____)

Role of Signatory (eg Chairperson etc) _____

Signed by setting Supervisor _____

Signed by Deputy Supervisor _____

Policy to be reviewed by 11th November 2019

APPENDIX 1

Example of Email first reminder sent as a bulk email to all parents with overdue invoices

Hi All

Just a reminder that [MONTH] invoices are overdue for payment. I would be grateful if you could pay your invoice in the next 7 days. If you have difficulty with this, or have a query with your invoice then please do not hesitate to contact me.

Kind regards
Admin Assistant

APPENDIX 2

Example of letter to be sent if payment is not received within 7 days of the email being sent and no reason has been given by the parent / carer.

[Name]
[Address 1]
[Address 2]
[Address 3]
[Post code]

[Date]

OUTSTANDING BALANCE £XXXXXXXX

Dear [xxxxxxxxxx],

R.E Invoice [xxxxxxxxxx]:

Further to the email sent on [xx/xx/xx], we are writing to you about the fact that there is an outstanding amount of [£xxxxxxxx], in respect of the above invoice. This amount was due for payment on [xx/xx/xx]. If payment is not received by [xx/xx/xx], a late payment fee of £30.00 will be added to the balance.

Our payment policies stipulate full payment within 14 days of invoice date and this account is now [xx] days overdue.

Please arrange payment of this account today.

Your prompt attention to this matter would be greatly appreciated. If you have any queries regarding this account, please contact us as soon as possible.

If payment has recently been made, please accept our thanks and ignore this reminder.

Yours sincerely,

[Name]

[Position]

[Email]

On Behalf of Bramfield Stepping Stones Pre School Committee

APPENDIX 3

[Name]
[Address 1]
[Address 2]
[Address 3]
[Post code]

[Date]

OUTSTANDING BALANCE £XXXXXXXX

Dear [xxxxxxxxxx],

R.E Invoice [xxxxxxxxxxxxx]:

Further to the email sent on [xx/xx/xx] and our letter of [xx/xx/xx], we are writing to you about the fact that there is an outstanding amount of [£xxxxxxx], plus a late payment fee of [£xxxxxxx], totalling [£xxxxxxx], in respect of the above invoice. This amount was due for payment on [xx/xx/xx].

Our payment policies stipulate full payment within 14 days of the invoice date and this account is now [xx] days overdue.

The total amount due from you is [£xxxxx]. Please arrange payment of this account today.

Failure to pay may result in [xxxxxxxxxx] being unable to attend Pre-School until the balance is settled.

Your prompt attention to this matter would be greatly appreciated. If you have any queries regarding this account, please contact us as soon as possible.

If payment has recently been made, please accept our thanks and ignore this reminder.

Yours sincerely,

[Name]

[Position]

[Email]

On Behalf of Bramfield Stepping Stones Pre School Committee

APPENDIX 4

[Name]
[Address 1]
[Address 2]
[Address 3]
[Post code]

[Date]

OUTSTANDING BALANCE £XXXXXXXX

Dear [xxxxxxxxxx],

R.E Invoice [xxxxxxxxxxxxx]:

Final letter before commencing legal action & suspending [xxxxxxxxxx] attendance at Pre-School.

Further to the email sent on [xx/xx/xx] and our letters of [xx/xx/xx] and [xx/xx/xx]. We are writing to you about the fact that, despite previous reminders, there remains an outstanding amount of [£xxxxxxx], plus a late payment fee of [£xxxxxxx], totalling [£xxxxxx] in respect of the above invoice. This amount was due for payment on [xx/xx/xx].

Our payment policies stipulate full payment within 14 days of the invoice date and this account is now [xx] days overdue.

If the full amount of the sum outstanding, as set out above, is not paid with [xx] days of the date of this letter, we will begin legal action, without warning, for a court order requiring payment. Legal proceedings may affect any credit rating. The costs of the legal proceedings and any other amounts which the court orders, must also be paid, in addition to the debt.

In addition [xxxxxxxxxxxxx] will no longer be able to attend Pre-School after [xx/xx/xx], unless the outstanding balance has been settled by [xx/xx/xx].

The amount outstanding can be paid as follows:

[xx]

We await your immediate payment of the outstanding amount.

If payment has recently been made, please accept our thanks and ignore this letter.

Yours sincerely,

[Name]

[Position]

[Email]

On Behalf of Bramfield Stepping Stones Pre School Committe

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