

## 11 Financial Policies

### Statement of Intent

#### Aims

- To ensure that there is always sufficient cash to fund the day-to-day operations of the organisation.
- To keep a reserve equivalent to six months running costs or the costs of closure whichever is the greater
- To ensure internal controls are sufficient to prevent misappropriation of the organisation's funds.

#### To fulfil these aims

- Preschool managers are responsible for the day-to-day management of the organisation's finances
- The management team will regularly review the financial policies and procedures to ensure they are appropriate for the organisation.
- The management will regularly report to the on the financial position of the organisation.

## Reserves Policy

### 1 Scope & Purpose

1.1 The Committee at Blakeney Preschool need our reserves to be in line with the guidance issued by the Charity Commission and the Early Years Alliance.

1.2 The Pre-school needs reserves in order to:

- Meet redundancy liabilities should the setting have to close;
- Ensure continuity of service provision by:
  - Meeting unexpected costs such as cover for illness or maternity leave, etc.;
  - covering running costs during periods of lower income
- replace equipment as it wears out and carry out necessary building maintenance;

1.3 Calculations are to be made by the Treasurer and managers based on:

- Annual budget which is set for the beginning of each academic year
- Inventory audit – covering both the playschool furniture and all resources
- Any items deemed to be in poor state of repair that are of the preschool's responsibility
- In calculating these amounts, Blakeney Preschool assumes the following:
  - Salaries and roles as at the start of each academic year
  - 12 weeks' notice for all staff.
  - No redundancy payments for staff members with less than 2 years of service.

1.4 Blakeney Preschool will ensure the reserves are not held within the current account used for day to day transactions; but is instead held in a separate savings account, ensuring the reserves remain clearly isolated from normal business.

1.5 Ensuring there are sufficient funds to cover the day to day running costs is separate from the reserve account and should be cross referenced between the annual budget and current account.

## 2 Outline

2.1 In light of the scope and purpose, Blakeney Preschool aims to maintain reserves consisting of:

- reserves to meet redundancy liabilities;
- general contingency reserves equal to one term's (i.e. one-third of annual) total expenditure,
- excluding maintenance and depreciation

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2.2 The Committee believes that this level of reserves is prudent and necessary to ensure that Blakeney Preschool can run efficiently and meet future needs.

'All groups are recommended to have at least three month's expenditure in reserve and a sum which covers the calculated redundancy liability' 'As a guide, many groups choose one term's reserves as a suitable level'

2.3 The Treasurer will monitor the actual level of reserves and compare with the target level no less than once a year (at the financial year-end) and report to the committee if the reserves deviate from the target level by +/-15%.

2.4 In the event of reserves falling significantly below the target level, Blakeney Preschool will aim to restore the reserves as soon as possible by increasing fundraising, increasing earned income, or reducing expenditure. Similarly, if reserves are significantly above the target level, the Committee will put in place a plan as soon as possible, aiming to eliminate the excess within four years by spending money to enhance the quality of pre-school provision, or otherwise further the aims of Blakeney Preschool, or by reducing fundraising.

2.5 The Committee will not, however, take any steps that might call into question the ability of Blakeney Preschool to continue as a financially viable operation in the long term. In particular, it will not plan to use excess reserves to cover essential running costs.

### 3 Matters that all charities must report

3.1 Charities must report:

- policy on reserves stating the level of reserves held and why they are held; where material funds have been designated, the reserves policy statement should quantify and explain the purposes of these designations, and where set aside for future expenditure, the likely timing of the expenditure - where no reserves policy is in place, a statement should be made to that effect
- where any fund is materially in deficit, the circumstances giving rise to the deficit and details of the steps being taken to eliminate the deficit

All charities preparing accounts on an accruals basis should also refer to the applicable SORP for any additional requirements for what the SORP terms 'larger charities' (currently gross income of £500,000 or more).

### Invoicing procedure

As from September 2025-

- Invoices will be issued termly – fee's will be broken down into equal payments each term
- Parents and carers will receive an invoice at the start of each term.
- Payment must be made by the 10<sup>th</sup> of each month (monthly direct debit is recommended)
- All changes to bookings will come into effect the beginning of the next calendar month -with charges recalculated and new payment breakdown issued.
- Additional sessions not included in the original booking must be paid in cash on the day.
- Early starts can still be paid on the day (if not included as a regular booking)
- Outstanding invoices will be reviewed regularly, and the debt recovery policy initiated on overdue invoices.

### Payment Policy

#### Fees

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- If a child is removed from Blakeney Pre-school mid-month then that month's fees will still need to be paid
- If a child is absent (e.g. due to holidays, sickness etc) fees are still payable.
- sessions are non-transferrable - and cannot be used in lieu of absence.
  - 1 calendar months' notice is required for any cancellation of place.
  - Monthly direct debit payments are preferred – but cash is also accepted. This must be in a sealed envelope with the amount, child's name, and month the payment relates to listed on the envelope.
  - Payment of fees is necessary to retain the child's place.
  - Blakeney Pre-school reserve the right to add interest and debt recovery costs to any outstanding debt as outlined in "The Late Payment of Commercial Debts (Interest) Act 1998".
  - Blakeney Preschool terms and conditions also outline this policy – and by signing that document you are agreeing to our financial policies.
  - All fees are due from the parent who has signed their child's registration forms. If more than one parent will be paying fees, both parties should sign the registration forms.

### **Additional charges**

Funded places are provided free at the point of delivery; however, the free childcare entitlement does not cover all costs associated with attendance.

- Parents are required to supply their child's nappy-changing sundries, sun cream, and packed lunches.
- The free childcare entitlement does not cover the cost of these items.
- Preschool may organise day trips from time to time. These trips are not covered by funding, and parents will be charged separately as and when ,should they wish their child to attend.
- Additional hours beyond the funded entitlement are chargeable, and parents will be invoiced accordingly.
- Snacks are subject to an optional charge. Parents who wish to opt out should speak to the Preschool Manager.

### **Early starts / Early drop off / ad Hoc sessions.**

If your child will regularly start early – please book this, and it will be added to your monthly invoice. For all early starts and early drop off the following procedure will apply-

- 8.15 – 8.45, please bring your child to the main door where a staff member will greet you. Payment will be required in cash on entry @ £2.50 (unless a regular booking)
- 8.45 onwards - please bring your child to the main door where a staff member will greet you. Payment will be required in cash on entry @ £1.00 (unless a regular booking)

Any child coming into preschool early will need to pay the required fee. These hours are not covered by funding. Children coming into preschool before 8.45 (no matter how close to 8.45 this may be) will be required to pay the early start fee of £2.50. Children coming into preschool before 9am will be required to pay the early drop off fee of £1.00 (no matter how close to 9am this may be)

Start and finish times are dictated by the Preschool clock.

### **Holiday Club Payments**

Holiday clubs are offered during the Easter and Summer break. These will only operate if sufficient numbers book. Payments for these clubs are required in advance in cash. Payments should be placed in an envelope with the child's name, days booked and amount. Bookings are not accepted without this payment. If sessions booked are not sufficient for the club to run, cash payments will be refunded. No refunds will be given for booked sessions not attended due to illness or any other reason. These hours are not covered by funding.

## Late collections

Late collections must be avoided, if possible, as they can disrupt the end of the Preschool day, upset the child and delay staff from their many closedown duties.

Our opening hours are 8.15am-3pm. There will be an additional charge if your child is not collected on time and vacated the premises by 3pm or 12pm for half days.

The fees are payable the following day in cash and will not be added to invoices. Our Payment policy will be followed in the event of nonpayment.

- **1–10 minutes late:** £10
- **Every extra 5 minutes:** £10

Fees must be paid in cash the next day (not added to your invoice). Non-payment will follow our Payment Policy.

Consistent late collections may result in your child's place being withdrawn.

## Debt Recovery

- This is designed to ensure that all sums due to Blakeney Pre-school are recovered efficiently and effectively.
- Invoices are due by the first of each month.
- After this a first letter will be sent to the parent asking for payment or for them to make contact if there are any reasons for non-payment
- If no reply nor payment is made within a further 7 days, the preschool will cancel the child's place until payment has been received. If no reply or payment is made within a further 14 days a small claims court action will be initiated. All expenses incurred by such a route will also be payable.

In the event of a place being cancelled – Preschool cannot guarantee that place will still be available and cannot hold that place open.

## Early Education Funding (EEF) Policy for 2-, 3- & 4-Year Olds

Early Education Funding ensures that all children benefit from quality early years education.

### As from September 2025

**9-month-old funding** – This is an eligibility-based funding for up to 570 hours of free childcare a year effective from the term following the child's 9<sup>th</sup> month. Applications for this funding are made via the Childcare Choices website <https://www.childcarechoices.gov.uk/>. Places can only be allocated once eligibility has been confirmed by Blakeney Preschool. Blakeney Preschool place no limitations on how parents use their funding. Parents wishing to purchase additional sessions are welcome to do so. Additional sessions are charged in line with standard Pre-school fees and are subject to availability.

Blakeney Pre-school works with children, parents, and the Local Authority's Early Years Team to ensure that we deliver early education to a high standard and provide planned learning activities in line with children's interests which helps children's development progress and prepares them for their present and future education. As an Early Education Provider, we are required to follow the guidelines set out in the Provider Agreement procedures and the statutory framework. We are required to ensure that children for whom we receive EEF attend regularly and have an obligation to inform the Early Years Team if children do not attend.

To comply with these requirements Preschool will:

- Require you to complete an Early Education Funding Parental/Carer Declaration prior to your child starting an EEF funded place and each term thereafter.
- Require a copy of any entitlement code.

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- Need to be made aware if your child is claiming Early Education Funding at another setting.
- Require seeing a copy of the child's birth certificate
- Require the Parent's NI number and date of birth

We will monitor children's attendance in the following ways:

- We will ask you to contact preschool to inform us if your child is going to be absent or late and the reasons for this
- We will make every attempt to contact you if the reason for the absence is unknown
- We will record reasons given for the absence, late arrival or early departure on the daily attendance register and monitor its frequency
- We expect that you inform the setting if your child will not be attending due to any reason.

#### Other Information

- Preschool reserves the right to change a child's pattern of attendance giving a minimum of two months' notice in writing to the parent/guardian.
- Preschool annual closing dates will be made available to all parents/guardians at the beginning of the academic year.
- There will be no exchange of funded sessions due to the child's absence or closure days.
- If your child's full funding is not issued due to incorrect or inaccurate completion of your Parent Declaration form or by your eligibility not being confirmed, Blakeney Preschool will recover payments for sessions from the Parents.

By signing Blakeney Preschool terms and conditions parents and carers agree to this policy

<p><b>• Date of policy</b></p>	
<p><b>Review date</b></p>	
<p>Read and signed 2.4.25. Name CATHY ROWLANDS signature </p>	<p>Read and signed 2.4.25. Name Rachael Thomas signature </p>
<p>Read and signed. 23.9.25 Name Cathy Rowlands signature </p>	<p>Read and signed. 23.9.25 Name Rachael Thomas signature </p>
<p>Read and signed. Name signature</p>	<p>Read and signed. Name signature</p>