

**Emneth Nursery School**  
and Day-Care Provision



**Finance Policy**

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## 1 GOVERNANCE

The Board of Governors is responsible for the overall direction of the Nursery. It determines the Nursery's spending priorities and evaluates the effectiveness of spending decisions.

The governors hold overall legal accountability for the day-to-day management of the Nursery and delegates the management and responsibility to the Headteacher (HT). This includes all financial matters, as detailed within the Finance Policy. In the absence of the HT, the School Business Manager (SBM) will assume this role. Only the HT and SBM are identified as staff, holding accountability over monetary decisions and management.

It is the HT responsibility to ensure that the Nursery, and its staff, complies with all financial regulations as per the Norfolk's Scheme for Financial School and that sound systems of internal controls are in place, all of which are covered within this policy, and are under review and scrutiny alongside a governor annually.

The Nursery holds and maintains a register of business interest for governors and staff, who influence financial decisions. This register is kept online under GovernorsHub. Governors are declaring their interests annually; HT/ SBM to ensure that all other staff with financial influence are declaring their interest annually and to upload a copy of their register on to GovernorHub.

## 2 BUDGET

The Finance Officer of the Local Authority (LA) and the HT & SBM will set the draft budget, which the SBM will then present to the Full Governing Board (FGB) at the next meeting for comment and approval. Once approved, the SBM will confirm this to the LA and the draft budget is confirmed.

As part of the draft budget for the current year, the HT & SBM will forecast the next 2 consecutive years. The figures are based on realistic estimates of all income and expenditure, considering previous years expenditure. In the event of an excessive budget surplus, authorization is required from the LA if it can be utilized for future specific expenses.

Throughout the financial year (April to March), the budget is reviewed three times between the LA and HT/ SBM, with a governor attending these meetings. The budget is scrutinized and, where required, adjusted. Adjustments are typically only required for resources, where overtime, training, staffing, income and SEND, have a direct impact and are difficult to forecast for the year ahead. Following on from each review between the LA/ HT & SBM, the revised budget will be issued to the FGB for comment/ approval at the next meeting.

The reconciliation process (classed as third review) will be initiated in mid-March and completed by 12<sup>th</sup> April, each year.

Each FGB meeting is minuted by the clerk, therefore all decisions relating to the budget and its expenditure are recorded in detail. Minutes of the previous meeting are agreed at the start of the meeting in progress.

## 2.1 BUDGET ANNUAL CYCLE

### Spring Term

- HT/ SBM draft a budget for the forthcoming year (April to March) with the Finance Officer of the LA and submit this to the LA by 28<sup>th</sup> Feb. It will also contain forecasted budget figured for a further 2 more years
- HT/ SBM will present the drafted budget to the FGB for its comments/ approval. This meeting is minuted by the Clerk
- SBM to submit approved budget to LA by 1<sup>st</sup> May

### Summer Term

- Revision 1: meeting between HT/ SBM and Finance Officer at LA to revise the current year budget, considering the full year-end reconciliation of the previous budget year, which by now has been finalized
- Revised budget is presented to the FGB for comment and approval
- SBM to submit approved budget to LA by end of summer term

### Autumn Term

- Revision 2: meeting between HT/ SBM and Finance Officer at LA to revise the current year budget
- Revised budget is presented to the FGB for comment and approval
- SBM to submit approved budget to LA by end of autumn term

## 2.1 BUDGET MONITORING

The HT and SBM are reviewing the budget and its variances monthly; a copy of the latest review should be shared with the FGB ahead of the next meeting, including commentary on variances.

HT needs to justify the need for any in-year underspends in the excess of £5000. The HT is authorized by the FGB to vire amounts up to £5000 without further approval.

## 2.2 SCHOOL DEVELOPMENT PLAN

The school development plan links into the annual budget, and its priorities and key issues should be clearly defined within the current financial year as well as the forecasted for 2 years.

The development plan is reviewed annually by the HT/ SBM and should showcase how monetary resources are utilized in achieving the goals set in a precise and well-defined manner. Following on from the review, any changes directly impacting the budget should be noted and highlighted to the FGB during the next meeting (at the same time when the revised budget is discussed for approval).

### 3 PURCHASE ORDERS

The HT and SBM will ensure that all Purchase Orders (PO) comply with the LA's Standing Orders for contracts as published and defined in the Norfolk's Scheme for Financing Schools.

Value for money is demonstrated through competitive tendering when appropriate, or by using ESPO (public sector owned professional buying organization approved by NCC – Norfolk County Council) or other approved purchasing arrangements, such as Amazon Business, Gompels, etc. All new initiatives are appraised by the FGB in relation to their costs, benefits and sustainability.

The HT has authorisation to approve orders up to the value of £5,000; Orders must not be artificially split to evade this limit. Prior approval from the FGB is required for issuing POs between the value of £5,000 and £20,000. Should works be required that exceed the £20,000 threshold, the SBM will need to apply for further funding from the LA and the proposed works, including the process of tender, will need to be detailed to the FGB during the next meeting and discussed separately. Any decisions and next steps discussed must be minuted.

For works valued between £5,000 and £20,000, the SBM and HT must obtain three separate quotations (written). The scope of works must be identical for each quote. All three quotations must be issued to the FGB, where each quote will be reviewed and discussed. When accepting and instructing a quote, consideration must be given to value, workmanship, and timeline.

Scope of works/ contracts specification will detail the following:

- Contract duration
- Definitions
- Contract objectives
- Services to be provided
- Service quantity
- Service quality standards
- Contract value and payment arrangements
- Information and monitoring requirements
- Procedure for disputes
- Review and evaluation requirements
- Procedure for Safeguarding

The Nursery is using Star Accounts, which will issue unique POs with no chance of duplicating an existing PO number. Urgent verbal orders must be confirmed by a written PO as soon as possible. POs are issued for all services except for utilities, rent, rates, purchase card orders and any payments due under a loan/lease agreement.

Note that the Nursery will not enter any 'finance lease' and will ensure that any lease entered is an 'operating lease'.

All PO's must be signed by an authorized signatory. The signatory will be satisfied that the goods/ services are appropriate and necessary, that competitive tenders have been obtained where necessary, and that there is sufficient budgetary provision. Each PO issued is then entered in the school's financial system as a commitment. No POs should be utilized to obtain goods or services for individual personal use.

#### *Goods received - process*

To ensure transparency of POs placed versus goods received, the Nursery is following a detailed process:

- PO is entered on to Star by the SBM
- PO is authorised on Star by HT
- Delivery of goods is checked against the delivery note by Administration Manager (evidence of this check is evidenced by the use of the rubber stamp approved by Norfolk Audit Services. All check fields on the stamp must be completed)
  - If no delivery note is supplied, then the invoice will be certified in the same way.
- PO is marked as received on Star by SBM, who'll submit the payment for authorisation
- Payment is authorised by HT (cross referencing PO/ delivery note and invoice correspond)

Payment of the original supplier invoice (not copy of statement) must be made within agreed time scale with the supplier. The invoice must not be authorised for payment by the person who goods receipted the delivery.

If a payment is made via a cheque, two signatures are required:

Head Teacher (Claire Hooker)

Class Teacher (Josh Peel)

Daycare Manager (Amy Thorpe)

Governor (Francine Finnis)

A cheque must not be pre-signed and only manuscript signatures are allowed. Ensure all cheques are crossed before issue. The crossing of a cheque instructs the drawee bank not to pay the specified amount at the counter, but rather to make the payment through a bank. Because a crossed cheque may only be put directly into a bank account and cannot be cashed immediately, it protects payment from fraud by unscrupulous individuals.

### 3.1 PURCHASING CARDS

Purchasing cards are held for the Nursery with set limits (with a maximum spend of £500 at any one time).

Purchasing Card	Staff Member	Monthly Limit	First Issued	Reviewed (A)
1	Claire Hooker (HT)	£2000		
2	Joshua Peel (T)	£250	Aug 2023	
3	Amy Thorpe (Daycare Manager)	£250	Aug 2023	

### 3.2 TAX

The Governing Body has adopted the Norfolk County Council VAT manual. All VAT incurred on expenditure of official school funds is reclaimed from Customs and Excise.

It is the responsibility of the HT to ensure that all staff are aware of relevant provisions concerning VAT, tax, and the Construction Industry Scheme (CIS), as the LA will pass back any penalties imposed on it arising from an error by the Nursery. Therefore, all invoices received must detail the VAT value. The VAT invoice must be retained for inspection by Customs and Excise under Schedule 11 of the VAT act.

The LA's has issued a VAT Manual For Schools (located within the office), where explicit detail is given of accounting for VAT, which must be adhered to by the Nursery.

## 4 FINANCIAL CONTROLS

The Finance Policy details all financial controls in place and is reviewed annually by an appointed Governor. Staff at the nursery have access to the policy at any time. In the absence of key staff at the Nursery, the HT has implemented contingency arrangement to ensure financial controls can be always maintained. This consists of the SBM and the NCC Finance Officer.

As detailed within section 3, Purchase Orders, at least two people are involved in completing tasks and the work of one act as a check on the work of the other.

All records relating to financial transactions are securely stored and access only by authorised staff (HT, SBM, Daycare Manager, Administration Manager). All transactions must be traceable from accounting records to prime vouchers. Transparency is achieved by ensuring

that all forms of income and payments are entered into the accounting system, Star. Further information is detailed in the Finance Procedure Manual, which is accessible in the Nursery only as a hard copy.

The HT must ensure that where there is a requirement to account separately for earmarked funding, that this is undertaken and that the monies are spent on their intended purpose.

#### 4.1 FRAUD & THEFT

The HT must inform staff of the policy and procedures relating to fraud and theft, and the consequences of breaching these controls.

Any allegation of theft or fraud must be followed up by:

- Contacting the Norfolk Audit Service for appropriate advice and action
- Arranging for an investigation, including recording all findings
- If appropriate, contact HR for any disciplinary actions, or contact the Police if it's considered a criminal matter
- Prompt reporting to Chair of Governor BoG Finance Lead

## 5 INCOME

The Nursery's Charging, Remission and Refund Policy forms part of the Finance Policy and is covered under Appendix 1. Any amendments to Appendix 1 will be discussed during the FGB meetings and approved.

Any pending banking (cash and cheques) are stored away securely in the Nursery's safe. The safe is locked and secured with a passcode and only authorised staff have access to the code (HT, SB, Daycare Manager, Administration Manager). Where cash payment is received by parents, the monies must be received, counted, and recorded by either the HT, Administration Manager or Daycare Manager. The SBM, who has issued out the invoice to the parent in writing will not undertake the task of receiving the monies.

The Nursery's income is banked termly by a member of staff at Barclays Bank in Kings Lynn. Paying-in slips show the analysis between cash and cheques, and cheques are individually listed. The income is not used for making any payment or for cashing personal cheques.

All income is recorded in the accounting system, Star, and reconciled monthly with the bank statement. Where there is a requirement to issue an invoice, these are to be issued within 30 days.

## 6 BANKING

Bank reconciliations are completed monthly by the SBM, and any discrepancies must be investigated and resolved promptly. The reconciliation statement is signed by SBM and then reviewed and countersigned by the Headteacher. As detailed in section 3, Purchase Orders, the SBM is not responsible for processing receipts and authorising payments.

Any payments falling within CIS requirements are made in accordance with the LA's agreed procedure.

## 7 PAYROLL

All personnel changes, such as appointment, promotions and terminations, are reported to the FGB by the HT. The SBM maintains an up-to-date list of teaching and non-teaching staff employed at the nursery, which is held electronically in SIMS and is amended when required.

The monthly reports on payroll transactions are checked against the nursery budget working papers to ensure they match. The HT authorises any overtime and subsequent payment. All payroll transactions are processed only through the payroll system (NCC HR School Payroll), which includes the payment of all claimed expenses and benefits.

## 8 ASSETS

An up-to-date inventory list is to be maintained, itemizing all equipment. Those that are portable, valuable, and desirable are identified as nursery property with visible security marking. The asset register is supervised by the FGB.

The list is checked at least annually, and the HT ensures that stock levels are maintained at a reasonable level. Any discrepancies are investigated and any shortcomings resulting in a loss of £100 or more will be reported to the FGB. Any loss exceeding £500 will be referred to the HT.

### 8.1 REDUNDANT EQUIPMENT

The governing body has the authority to declare equipment, furniture or any other assets or stores surplus to requirements and to arrange for their sale or write off, provided the items concerned were purchased in full or in part from its delegated budget. Land and building are always excluded from this authority.



Where the estimated disposal value of surplus or redundant assets (equipment) or stores is less than £100 and sale is to be by public auction or competitive tendering, authority for disposal can be given by the HT.

The prior approval of the governing body will be required where:

- The estimated disposal value is between £100 and £500
- The sale is not to be by public auction or competitive tendering

Where the estimated disposal value is above £500, these must be referred to the Head of Children's Services (Finance & ICT), (as per the Norfolk Scheme for Financing Schools).

A list of equipment disposed of will be presented to the governing body at its' next meeting. This list will show, so far as may be known, the item, department, date of manufacture or purchase, values when new and when made redundant (estimated where necessary) and disposal value.

The nursery's inventory will be amended to show disposals and such entries will be endorsed by the HT.

The net income (i.e. excluding VAT) from the sale of surplus or redundant assets or stores purchased from the nursery budget will be credited back to the nursery budget.

## 9 VOLUNTARY FUND

A separate voluntary fund is now closed, and all funds are paid directly in to the nursery budget.

## 10 INSURANCE

The HT reviews all risks annually to ensure that the cover available, and the sums insured, are adequate. Advice is available from NCC's Risk and Insurance Manager. The FGB must consider whether to insure against any uncovered risks.

The nursery will notify the LA/its insurers of any new risks or any other alterations affecting an existing insurance policy. The nursery will not give any indemnity to a third party, and it must immediately advise the LA/its insurers of any accident, loss or other incident which may give rise to an insurance claim.

Insurance will cover the use of nursery property when off the premises, e.g., play equipment/computers.

Insurance cover is currently provided through NCC these are renewed annually:

- Public Liability
- Employers' Liability
- Travel Insurance
- Motor Insurance
- Building & Contents Insurance

## APPENDIX 1 CHARGING POLICY



The aim of this policy is to ensure that all of our families are able to access flexible funding that they are entitled to, and fairly in conjunction with guidelines set out by Early Education and Childcare Statutory Guidance (Apr 2024); DfE Early Years Entitlements: Operational Guidance (Jan 2024 ) and Local Authority Funding Agreement (Sept 23-Aug24).

The policy will complement the nursery's other policies covering Teaching and Learning, Equality and Educational Visits.

### Overview

Our OFSTED Rating is Outstanding for the Nursery School (May 2019) and Outstanding for our Day-Care provision (July 2023) and we are registered with OFSTED and Norfolk County Council as an approved provider of two and three year old funding.

We are open 48 weeks of the year between 8-5pm Monday, Tuesday, Thursday, Friday and 8-4pm on Wednesday, providing day-care and extended sessions for children. We offer a combination of full days, half days and sessional care to enable our families to access their funding as flexibly as is possible to maintain high quality and good practice for the children.

Government funding for 2 year olds and 3 year olds (and 9 month olds from September 24) is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare only. It is not intended to cover the cost of meals, consumables, additional hours (breakfast, lunch and tea) or additional services. Funding can be used from 8.30am-11.30am and 12.30pm-3.30pm and any additional hours will be charged at the hourly rates included in the table below.

The funded entitlements will be delivered consistently so that all children accessing any of them will receive the same quality and access to provision, regardless of whether families opt to pay for optional hours, services, meals, or consumables. Within our setting there is no additional consumable charges. Parents are not charged a top up fee to recover income when our hourly rate is greater than the rate received by the Local Authority for Early Educational entitlement.

In addition, we offer breakfast, lunch, and tea for an additional set cost (see fee structure on page 12 of this document). If your child is booked in for food for breakfast, dinner or tea and they are unable to come in for any reason, then you will be charged for this as the food is ordered in advance. The only exception is for planned holiday absences that you have already informed us about.

Charges for additional services, such as trips, will be set according to specific costs and agreed in advance with participating families. All income and payments will be operated through the Nursery's bank account, and all monies collected will be recorded.

Charges apply when taking a free entitlement place for the cost of meals (costs for breakfast, lunch and tea are set individually, charges are itemised in the fee table on page 12), but not for snacks.

Participating in meals is voluntarily and families can supply their own packed lunches. Any families experiencing difficulties paying for meal fees or supplying a packed lunch should contact and discuss with the Headteacher or School Business Manager.

Money received for funding will always be used for the purpose intended and parents will be given a reduction equivalent to the prevailing hourly rate (rates will be itemised in the fee table on page 13) when funding is part of extended hours beyond the basic 15/30-hour requirement. This applies mainly to those parents who access day-care and our extended nursery services.

Emneth Nursery is an inclusive setting, and no child will be refused access to their funding entitlement for any reason other than capacity. Emneth Nursery will always maintain required staff to child ratios and children's safety will always be the number one priority.

Parents at no point will be made to take up additional hours as a pre-requisite of accessing the free funding.

To secure a Daycare all-year-round-place an advance retainer fee must be paid (see fee table on page 12) that will be deducted of the first invoice. Failure to provide this payment at the time that the place is offered will result in the place being offered to other families.

All families will be issued an invoice at the end of the first month the child starts and then at the end of every consecutive month, unless the balance equals zero. The invoice details the services provided and all appropriate charges. It will also show services provided free of charge as an Early Education place. Payment is required on or before the last working day of the month and a range of payment methods are available including bank standing order, cash, cheque, childcare vouchers, and direct debit.

Fees will be charged for non-attendance due to illness and short-term absences. For holidays where advance notification has been given, a two-week holiday reduction (of your child's weekly sessions) of 50% will be calculated pro-rata. Any holidays taken above the two-week entitlement will be charged at full cost. No charges are levied for bank holidays, school closure days or closure due to adverse weather conditions or extenuating circumstances when the Nursery must close.

Four weeks written advance notice is required where families wish to make changes to their childcare arrangements.

Should fees be not paid on time without prior arrangement with the Headteacher or the School Business Manager, including agreed arrangements to clear any debt, then the Nursery may exercise the right to cancel that place.

Fee Table – last price increase 1 <sup>st</sup> May 2024		
Retainer fee to secure all year round space	£75 (this will be deducted off your first invoice if your child attends)	
Hourly Rates	0 – 2 years	£6.30
	2 – 3 years	£5.90
	3 – 4 years	£5.70
Breakfast		£1.10
Lunch		£2.40
Tea		£1.30

## APPENDIX 2 BAD DEBT POLICY



All invoices raised and issued must include an expected payment date.

All debts will be recorded and non-payment will be followed-up by issuing a written reminder as outlined below:

- |                                |                                     |
|--------------------------------|-------------------------------------|
| ❖ 1 week from date of invoice  | 1st reminder via email              |
| ❖ 2 weeks from date of invoice | 2 <sup>nd</sup> reminder - Letter 1 |
| ❖ 3 weeks from date of invoice | 3 <sup>rd</sup> reminder – Letter 2 |
| ❖ 4 weeks from date of invoice | 4 <sup>th</sup> reminder – Letter 3 |

*Note:* Week 4 reminder threatens legal action if the account is not settled within 14 working days.

If after 14 working days the debt remains outstanding, legal action will be considered, and the debtor will be informed of this in writing. The debt may be referred to the County Legal Services, where appropriate. If the debt is under £50, legal action will not be taken.

Where a service is being provided, this will cease immediately and again, the debtor will be informed of this in writing. The service will not be reinstated until the debt has been cleared and payment of future services is made in advance.

If, after every effort has been made to collect the debt and legal action is considered impractical or has been unsuccessful, individual bad (irrecoverable) debts may be written off in accordance with the following procedures:

- ❖ those up to the value of £100 to be approved by the Headteacher and reported to the next meeting of the governing body
- ❖ those exceeding £100 and up to the value of £500 to be referred to the governing body for approval, either directly or after consideration by the Resource Committee
- ❖ those exceeding £500 to be referred to the Head of Children's Services (Finance & ICT) (as per the Norfolk Scheme for Financing Schools)

The VAT element of any debt must not be written off as this contravenes HM Customs and Excise statutory requirements.

## APPENDIX 3 PAYMENT OF GOVERNOR EXPENSES POLICY



The purpose of this policy is to ensure that Governors and Associate Members of Governing Bodies are not out of pocket because of their duties, and that there is a sound and legal system in place for the reimbursement of their expenses when necessarily incurred.

The reimbursement of expenses is governed by The School Governance (Roles, Procedures and Allowances) (England) Regulations 2013 (SI No. 1624, 2013). The relevant sections are 28 and 30.

Unless otherwise stated, Governors may claim reimbursement of actual expenditure incurred while attending meetings of the Governing Body and its committees, undertaking Governor training and development and undertaking other duties that have been approved by the Governing Body.

Categories of eligible expenditure and rates of payment are as follows:

<b>Eligible expenditure</b>	<b>Rate of payment</b>
Child care expenses, where this is not provided by a relative or partner.	Reimbursement of reasonable costs.
Care arrangements for an elderly or dependent relative, where not provided by a relative or partner.	Reimbursement of reasonable costs of the care that would have been provided by the Governor.
Support for Governors with special needs.	Reimbursement of reasonable costs that enable Governors to fully participate in approved activities. Examples of such costs are provision of signers, audiotapes, Braille documentation and similar facilities.
Support for Governors whose first language is not English.	Reimbursement of reasonable costs that enable Governors to fully participate in approved activities. Examples of such costs are charges for interpreters and translators.
Administrative costs such as telephone calls, postages, photocopying and stationery when governors are unable to use school facilities.	Reimbursement of reasonable costs.
Travel in respect of duties other than meetings of the Governing Body, committee meetings and other duties discharged on school premises.	Travel should be by the most economic means unless this is impracticable. Travel by private car will be reimbursed at the usual school rate. Travel by cycle will be reimbursed at the rate of 20p per mile. Travel by

	public transport (including taxi) will be reimbursed at actual costs and limited to standard class when travelling by rail.
Subsistence in respect of duties other than meetings of the Governing Body, committee meetings and other duties discharged on school premises.	Reimbursement of reasonable costs or the school's standard subsistence rate, whichever is the lower.

The school's normal systems for authorising and processing payments will apply to claims made under this scheme.

Claims must be submitted on the approved form within one month of expenditure being incurred and supported by receipts or other evidence of payment such as till receipts, itemised telephone bill, rail tickets etc. Purchases subject to VAT must be supported by a full tax invoice that shows the amount of VAT separately and the supplier's VAT number.

The following are not eligible:

- Actual or potential loss of earnings.
- Travelling and subsistence in respect of attending meetings of the Governing Body, its committees, working parties and any similar duties undertaken on school premises.



## REVISIONS AND AMENDMENTS

Amendment Date	Comments	Name
20/07/2023	Document reviewed in its revised entirety (including appendixes Charging Policy and Bad Debt). Duplication has been removed; fee structure has been included as well as a list of purchasing cards. Extensive review undertaken alongside SBM & HT.	Francine Finnis
06/03/2024	Information has been added into the charging policy about the new funding arrangements.	Claire Hooker