

Finance Policy



Policy Statement

Warwick Community Playschool is a part of Warwick Community Association. The Association is a registered Charity (1041878) and is run through a constitution and an elected group of trustee's known as the committee. There is also a 'friends of' group which allows family members to have a voice without the liability attached to the formal trustee nomination.

Our Committee

Chair – Nicola Thomson

Secretary – Joanna Ludlam

Treasurer – Julie Morgan

Custodian – Bob Pickering

Trustees – Nicola Anniwell, Sonia Amato, Jen Day, Rachael Driouch

Procedures

The roles and responsibilities of the committee for financial decision making and administration are set out in this document and in the constitution. The constitution is reviewed by all committee members on an annual basis. All policies and procedures are reviewed annually by the manager and shared for consultation with staff and committee members before being accepted and signed off.

Governance

- Two signatories are required for cheques (three named signatories with the bank).
 - Financial passwords and bank details are to be known only to parties who have authorisation (manager/treasurer).
 - The manager and treasurer work together to ensure financial stability and delegation.
 - There will be minutes of all meetings that include decisions taken and by whom action is to be taken.
 - Financial control is maintained in the absence of key personnel by the Chair.
 - Accounting records are maintained and retained for at least 6 years in line with the preschool learning alliance retention document.
 - Records are retained securely and access is controlled.
 - Income and expenditure is closely monitored by the manager and treasurer and is then verified at committee meetings.
 - Each month a bank reconciliation is produced of the income and expenditure. This is presented at committee meetings.
 - Accounts are externally verified annually.
- Returns and accounts are filed with the Charity Commission and Northamptonshire County Council after the annual verification.
- The committee should be advised of the current financial position at every meeting
 - The committee will agree what expenditure can be undertaken by the treasurer or staff without reference to the full committee (e.g. when within budgets set above and monetary forecast is good)
 - The equivalent of 3 months running costs should be set aside as 'emergency funds'. If levels go below this, the committee must be convened in order to review the financial position of preschool and agree any necessary action. Agree what 'emergency' funds the

treasurer should keep within preschool accounts and at what level a committee review of finances should be triggered

Budget setting

Before the start of each academic year, budgets should be set for each revenue stream and cost category. These will be set as per the agreed template, following consultation with staff and committee.

Income

- Fees are set by the committee and reviewed annually (before Easter).
- There are procedures in place for identifying income due (eg fees); invoices are raised within 30 days and cheques are made payable to either Warwick Community Playschool or Warwick Community Association.
- All income is recorded within a petty cash file or directly onto the accounts documents. We use receipt books, bank cards, receipts, cheque books, cheques, bank transfers and cash. These are held and kept securely in the safe or locked in the office with access restricted to authorised personnel.
- Income is banked promptly and intact.
- We do not cash personal cheques.

Expenditure

- Staff may purchase small items for the playschool as long as the manager is aware of purchases. This will be paid for via petty cash once a receipt has been provided.
- The manager will ensure value for money before purchasing any equipment for the playschool.
- For large expenditure or works, the committee must agree and at least 2 quote sought.
- Value for money will be judged not only on price, but on quality and need.
- An inventory of assets is kept up to date.
- We check goods on delivery against the order to ensure that they are satisfactory. Any unsatisfactory goods will be returned.
- Invoices must be raised before a payment is made. A copy of the invoice is kept in the finance file (the invoice is signed, dated and has the cheque number written on). A copy is also sent to the company with the cheque.
- Petty cash must be verified by the treasurer. A limit to the amount of cash kept on site is in line with our insurance policy.
- The manager holds the playschool debit card which remains the playschools property. The manager must use this responsibly and is liable for this.

Assets, payroll, insurance and security

- An inventory of assets is kept and updated. Any property taken off site is signed for and that staff member is responsible for its upkeep and replacement cost if necessary.
- A log is kept of damaged or surplus goods.
- Security is reviewed with Bob Pickering and Scorpion Security.
- We outsource our payroll.
- Timesheets should be presented monthly to the manager and countersigned by staff and a manager.
- We aim to reserve or carry over money as a small contingency for the beginning of each academic year due to payment dates of funding.

- Reserves will be held by the playschool amounting to The committee will annually review this reserve level to ensure that it will meet the following:
 - Statutory redundancy liability for all staff.
 - Pay for the notice period required to be given to staff.
 - Outstanding holiday pay entitlement for staff.
 - Outstanding bills such as premises rent.
 - Repayment of Flexible Funding Entitlement for sessions not provided.

Statutory Redundancy

Currently the requirement is that:

Redundancy pay is paid for 2 years service or more and length of service is capped at 20 years.

- 0.5 week's pay for each full year of service where age during year less than 22
- 1 week's pay for each full year of service where age during year is 22 or above, but less than 41
- 1.5 weeks' pay for each full year of service where age during year is 41+

Up to date information regarding statutory redundancy is available at gov.uk where there is also a tool to help you calculate statutory redundancy payments for each employee: <https://www.gov.uk/redundant-your-rights/redundancy-pay>

Notice Period

If you need to close, you will need to pay staff for the period of notice you are required to give them as set out in their employment contract. You will therefore need to include a figure for this when setting your reserve level.

Holiday Pay

If you need to close, you will need to pay any outstanding holiday pay entitlement to your staff. Holiday pay entitlement is calculated on a pro-rata basis For example : If you had to close six months into your year, your employees will be entitled to half the annual holiday entitlement. If they have not taken this you would need to make up the holiday pay to this amount.

Nursery Education Funding

You receive Nursery Education Funding in advance. If you are unable to provide the sessions that you have been paid funding for, you may need to re-pay this to the Local Authority.

Fundraising

- Provide funds for additional resources other than those funded by the local authority e.g. play equipment, outings, IT resources, building improvements, staff uniforms
- Fundraising is currently lead by a fundraising lead, supported by the friends of group.
- Agree priorities for use of monies raised from fundraising through discussion with staff as to the needs of the preschool and, wherever possible, consultation with parents and children.
- Adopt fundraising policy and ensure that Charity Commission fundraising ethics are followed at all times

This policy was adopted at a meeting of: Warwick Community Association

Reviewed on: May 2017

This policy will be reviewed annually in July.

This policy will be reviewed annually, with changes made as required. The manager of the setting will be responsibility for maintaining this and sharing with the committee members of Warwick Community Association to be verified. This will be shown in the minutes of the meeting.