**FINANCE POLICY**

1. The committee is responsible for:

* Safeguarding the assets of the charity
* Preventing fraud
* Avoiding mistakes
* Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, HMRC, Customs & Excise, Companies Acts etc)
* Keeping financial records/personnel records in accordance with the relevant legislation with regards to Pensions
* Preparing annual accounts in accordance with the governing document and relevant legislation

1. To enable the committee to carry out these responsibilities, the Financial Procedures detailed below must be followed at all times by all committee members and staff
2. The policy and procedures will be reviewed annually by the committee and revised as necessary.

**Financial Procedures**

1. **Organisational Information**

* Our financial year runs from September 1st to August 31st
* Name of bankers – Barclays
* Name of Auditor – Suffolk Tax Accountants. (auditor to be appointed at each AGM)

1. **Bank Accounts**

* All bank accounts must be in the name of Martlesham Preschool, and will include: Current account, Deposit account
* No account may ever be opened in the name of an individual or individuals
* New accounts may only be opened by a decision of the committee which must be minuted
* Changes to the bank mandates may only be made by a decision of the committee which must be minuted
* All cheques must be signed by two signatories
* The signatories are responsible for examining the cheque for accuracy and completeness
* The Pre-School Manager is responsible for ensuring accuracy and completeness prior to transmission
* Blank cheques must never be signed

1. **Signatories to the account**

Name – Nicola Cobb Role – Pre-School Manager Name – Charlotte Grant Role – Administrative Support

1. **Annual Budget**

* An annual budget, setting out Martlesham Preschool financial plan for the year, will be prepared so that the committee can approve it before the start of each financial year
* The draft budget will be prepared by the following three personnel:
* Chairperson
* Treasurer
* Pre-School Manager

1. **Financial Reports**

* A financial report will be prepared for every committee meeting
* The financial report will consist of:
* Profit & Loss
* Balance Sheet
* Each financial report will be circulated to all committee members and discussed at the following committee meeting
* The reports will be prepared by the Treasurer/Pre-School Manager

1. **Accounting & Other Financial Records**

Martlesham Preschool maintain a computerized accounting system which records:

* Cheques and cash received and banked
* Cheque payments, internet banking transfers and other amounts paid from the bank accounts
* Every transaction will be entered onto the accounts spreadsheet and will include:
* The date of the transaction
* The name of the person money was received from or paid to and the full amount
* A brief description of why the money was received or paid
* An analysis of each amount under its relevant budget heading, where applicable
* All documents relating to receipts and payment will be filed in the month they are input into the system
* A regular backup copy will be taken

1. **Authorisation and Payment**

* The committee must approve the purchase of any single item over £100
* No committee or staff member may authorize payment to themselves, their partner or relatives
* All goods received must be signed for, if unchecked they must be checked for completeness before payment
* Two signatories must sign the cheque
* Once payment has been made the invoice (or receipt) should be marked “paid”, together with the cheque number and date.
* All payments must be entered in the computerized accounting system only after being authorized
* Money will only be spent to meet conditions and requirements of the funding bodies and in pursuance of the objectives of Martlesham preschool.
* Only the Pre-School Manager and administrator will have access to using the debit card

1. **Income**

All monies received will be recorded promptly and banked without delay. Martlesham Preschool maintain files of documentation, i.e. letters from funding bodies to back this up

1. **Payroll**

* All employees must be asked to complete the relevant PAYE forms before they receive any payment
* All employees will be paid within the PAYE, National Insurance rules.
* All staff changes and changes to terms and conditions of employment must be authorized and minuted by the committee
* Payroll and all calculations will be made by the administrator, together with the Accountants, who process the salaries.
* Pensions paperwork and calculations is kept up to date by the administrator, in conjunction with Suffolk Tax Accountants.

1. **Insurance**

* Appropriate insurance policies will be maintained to cover:
* Employer’s liability
* Public liability
* Contents
* An inventory of all assets of Martlesham Pre-School will be kept and regularly updated
* An electronic copy plus a copy on file will be kept

1. **Fundraising**

All fundraising and grant applications undertaken on behalf of Martlesham Preschool will be done in the name of the organization

1. **Confidentiality**

* The confidentiality of employees’ financial circumstances will be respected at all times
* Committee members, volunteers and employees will at all times act in the best interest of Martlesham Preschool.

1. **Other Rules**

* The committee will consider the level of reserves that is prudent for Martlesham Preschool to have at its first meeting after the AGM. Consideration will be given to redundancy liabilities, lease agreements and any other significant factors that should be taken into account were Martlesham Preschool to close
* Martlesham Preschool will adhere to good practice in relation to its finances at all times

1. **Annual Staff Review**

* The staff are paid monthly, in arrears, for work completed.
* There should be an annual review of salaries during the Spring Term. This review should be considered by the Three Officers with consideration to the finances of the preschool and the economic climate at the time. A review does not guarantee a pay rise.

**15 Refunds**

* Refunds will not be given for holidays taken during term time.
* The committee reserves the right to consider special cases: applications should be made in writing to the Pre-School Manager.

**16 Late/Non-Payment of Fees**

* Fees are either grant funded by the government or paid privately by parents/carers.
* If parent/carers inform us that they are experiencing difficulties in paying fees, we aim to liaise with them to offer alternative payment arrangements.
* Parents are invoiced at the start of each term advising them of the fees payable.
* Fees should be paid by the end of the third week after issue of the terms invoice.
* At the end of the third week a reminder will be issued.
* We ask parent/carers to advise our administrator of any difficulties they may be experiencing in regard to payment of fees. Also, to inform the administrator if they will be opting for a payment plan to pay weekly, monthly or half-termly rather than in full.
* We can offer alternative payment plans which would be agreed according to circumstances.
* A late fee of £10 will be added to the outstanding fees if payment is not received by the end of the fourth week following the term’s invoice being sent, unless agreed otherwise.
* If, after five weeks of receiving the terms invoice, no payment has been received we will have no option but to issue 14 days notice of termination of your child’s place until full payment has been made and an additional £10 administration charge will be applied to the account. We may not be able to hold your child’s place in these circumstances.

1. **Notice periods/change of sessions.**

* We require 6 weeks written notice to terminate the child’s contract with us at Martlesham Preschool. Failure to do so will result in being charged for any fees outstanding in this period.
* It is to the managers discretion if a shorter notice period can be applied.
* We require 6 weeks written notice to change/adapt sessions. Reasonable adjustment can be made by the manager if the manager deems this appropriate.

*This policy was reviewed annually by Martlesham Preschool Committee*