



## EYFS: The Safeguarding and Welfare Requirements

### Information and Records

#### 3j.2 Financial Procedures

##### Policy Statement

Auden Place Community Nursery is a non-profit making organisation. We aim to balance our incoming monies with our outgoings, with just a small surplus each year to put towards our reserves (Which is equivalent to three months running costs.)

##### Procedures

##### Introduction

Financial records will be kept so that we can:

- meet our legal and other obligations e.g. Inland Revenue, Companies House and Charities Commission
- enable the board of trustees to have control of the nursery's finances
- to enable the nursery to meet contractual obligations and the requirements of funding bodies e.g. Camden Council
- to ensure that we work within budget and maintain sustainability

##### Incoming

We have three types of incoming funds:

- Government Grant

We have an annual grant from Camden Council, which is paid into our account directly on a quarterly basis. To continue to qualify for this, we have to provide Camden with a quarterly breakdown of our financial accounts. Camden Council also pays our rent. (N.B. This is all reviewed on a yearly basis and fees and budgets are also reviewed accordingly)

- Fees

Each family that attends Auden Place pays a monthly fee, the amount depending on their household income (See our Fee Structure). Fees are due in advance on the 1<sup>st</sup> of each month by standing order for the coming month. There is an administration charge of £25.00 per family who wish to pay their monthly fees by cash or cheque. (Please see our Terms and Conditions for more information on fees and charges)

- Fundraising

We are very active in fundraising to provide funds for nursery supplies, improvements, children's outings etc.

##### Purchasing Goods

- The general purchasing of goods is the responsibility of the nursery manager, who must work within the set budgets.
- The purchase of any one item cost £1000 or more, or purchasing that is going to take us substantially over budget requires the agreement of the management committee.
- Goods must be purchased from a reputable supplier and comply with any British Standard requirements as necessary



### **Paying Suppliers Invoices**

- On receipt of invoices, they must be checked by a manager to ensure that goods have been received, and then signed, with a breakdown of budget codes and placed alphabetically in the 'Unpaid Invoices' folder.
- Invoices are checked on a weekly basis and paid according to the suppliers' terms.
- When paying an invoice by cheque it, a 'Cheque Requisition Form' must be completed and attached (usually by the manager). The cheque must then be signed by two of the signatories A CRF asks for the following information:
  - Cheque No
  - Date
  - Payee
  - Brief Description of Invoice
  - Amount
  - Budget/Budget Code
- When paying an invoice by BACS, it will be set up by one of the signatories (usually the manager). The other signatories will then receive an email requesting them to go online and authorise the payment. The manager also scans in and emails copies of the invoices to the signatories for them to check the payments against. If it is a non-invoice payment e.g. fee refund to a parent, the manager will explain this in the email.
- After paying an invoice, it needs to be filed onto the QuickBooks accounting package, and then placed alphabetically in the 'Paid Invoices' folder.

### **Invoicing Parents**

Parents are invoiced on a monthly basis for their regular fees, and separately if they do any extra days. These are then processed in QuickBooks and filed in the 'Income' folders.

### **Banking**

- Our main bank account is Charity Aid Foundation (CAF) online . We also have a savings account with them. This is a sub-contract of HSBC so any over the counter banking would be through any HSBC branches.
- The cheque signatories are as follows:
  - Mikki Parkes (Nursery Manager)
  - Ann Clarke (Treasurer)
  - Kirsty Kitchen (Chair)
  - Matthew Dalton (Director)
  - Victoria Heely (Director)
- Each cheque requires any two of the above signatories, although if a cheque is payable to one of the signatories, then they may not be one of the signatures
- Banking is done as needed, by post if only cheques need banking, or via a branch if there is cash.
- A banking form is completed, detailing the amount, and name of child and period the amount refers to and kept in the banking file.
- This is processed onto QuickBooks when the money shows up on the statement and not before
- Bank statements are received on a monthly basis, but the nursery manager, regularly checks statements online to check payments made in and out.



- There are two debit/cash cards held on the CAF account. One is held by the manager and the other by the Deputy Manager. Any cash withdrawals made with these cards are recorded on the petty cash spreadsheet.

### **Petty Cash**

- Petty Cash is stored in a locked tin, in a locked cupboard. The only keys are held by nursery management.
- No more than £500 should be kept in the petty cash tin at any one time.
- Every time money is used from the petty cash, a voucher must be completed and it must also be recorded onto the petty cash spreadsheet. It needs to be broken down into individual budgets.
- Money is to be reimbursed into petty cash when necessary by way of cash card.
- If parents choose to pay cash, then this goes into the petty cash and is recorded on the spreadsheet as an incoming balance.
- Petty cash is checked on regular occasions and recorded slips are put into a plastic wallet outside of the tin.
- Petty cash is closed off and balanced on the last day of each month.
- A copy of the spreadsheet is printed and kept with the receipts in the Petty Cash box.
- Petty cash is then processed onto QuickBooks

### **Payroll**

- At Auden Place, our payroll is managed by Workplace Finance
- We have a salary scale, which is governed by the NJC scales. These scales are available to staff at all times.
- If staff take out a cash sub, then a petty cash slip is written and it is recorded on the spreadsheet. If it after 10<sup>th</sup> month, when the amendments have been sent, then it needs to be kept in the tin for the following month rather than the current month.
- Any amendments of payroll need to be sent to Workplace Finance by 10<sup>th</sup> of each month via email to [richard@workplacefinance.com](mailto:richard@workplacefinance.com) and [liz@workplacefinance.com](mailto:liz@workplacefinance.com)
- Workplace Finance then sent all figures to the nursery via Dropbox which is only accessible to the manager.
- Once this has been received the manager sets up BACS payments to individual staff, with the date set up for the penultimate working day of the month.
- The payment to HMRC is also set up immediately, but the date set up is for 8<sup>th</sup> of the following month.

### **Budgeting**

- The budgets are set at the beginning of the financial year following a review of the previous year's expenditure. These are reviewed quarterly by the Management Committee's financial sub-committee and brought to the MC meeting for discussion.
- The financial sub-committee consists of:
  - the nursery manager
  - the treasurer
  - one or two other directors if possible
- Budgets are broken down into several areas, each with its own budget code and annual amount. Some are also broken down into monthly amounts for the nursery manager to work within.



- Each month the nursery manager prepares a budget account sheet for the finance sub-group of the committee. This consists of income, outgoing and balance for each month of the current financial year.

### **Accounts**

As well as the QuickBooks account sheet that is provided by the accountant, the nursery manager also has some working excel spreadsheets to monitor all accounts, which is used to transfer information onto QuickBooks.

These spreadsheets include:

- Petty Cash

This records the input and expenditure of the petty cash, broken down into the correct budget codes.

- Record of Debit Card Use

This records the usage of the nursery debit cards, broken down into budget codes.

- Record of Credit Card Use

This records the usage of the nursery credit card, broken down into budget codes.

### **Reserves**

As we are a none profit organisation registered charity (Charity Commission) and a limited company (Companies House) with a commitment to provide high quality and affordable childcare for the community. In accordance with Charity Commission guidance, it is our objective to steadily build up or maintain a contingency reserve of funds equivalent to one financial quarter's operational costs.

### **Confidentiality**

The confidentiality of employee's financial circumstances will be respected at all times. Committee members, volunteers and employees will at all times act in the best interest of the nursery and if they experience a conflict of interest they will not divulge sensitive information.