Registered Charity No. 1033185

Title:	CHARGING/EXPENSES/RESERVES POLICY
Outcome Statement:	This policy is written in line with the Norfolk Local Authority expectations and shows a commitment from Hainford and Frettenham Pre-school to provide Government funded childcare.
To meet the standards as part of:	Oftsed Norfolk Local Authority Guidance EYFS framework Early years alliance Employment law Charity commission
Applicable to & For use by:	Staff, parents, committee members including treasurer and book keeper
Appendices:	
Last reviewed:	March 2026
Reviewed by:	Hainford & Frettenham Pre-school Manager / Chairperson
Date of Committee Meeting policy adopted at:	
Chairperson Name and Signature:	
Review Date:	March 2028

Charging Policy

This policy is written in line with the Norfolk Local Authority expectations and shows a commitment from Hainford and Frettenham Preschool to provide Government funded childcare. The entitlement place is offered free. Parents will not be charged a “top-up” fee to recoup the difference between the amount received from the Local Authority and the current hourly rate.

Government funding 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, or additional services.

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 and services.

The following fees apply when families claim a funded entitlement as part of childcare arrangement:

- **Additional hours:** Additional hours including those not funded by the local authority will be charged at the current hourly rate. The current hourly rates are £6.50 per hour for 2 year olds, £6.00 per hour for 3 and 4 year olds.
- **Additional services:** Charges for additional services such as trips will be agreed in advance with families.
- **Cost of meals:** Families must provide a packed lunch for their child if they are attending during lunch (11:45-12:45).
- **Snack:** will be provided by families and preschool will offer milk or water.

Other charges –

- **Retainer Fee –** During a long period of absence it is not possible for the pre-school to claim funding. Therefore, a retainer fee is charged to secure your child’s place. This will be charged at half the usual hourly rate.
- **Late Payments** – This fee will be charged when invoices are not paid within the payment terms and an outstanding balance remains on the account. The late payment fee is charged at £10 the day following the invoice due date, and an additional £10 every 14 days after that.
  We will do our best to support families experiencing hardship and ensure children in our setting continue to access high quality childcare. Families who are having difficulties with paying invoices should speak with the pre-school manager who will pass the information to the officers of the committee. They will consider is a payment plan would be advisable. However, if fees remain unpaid and no attempt is made to pay them, then the committee reserves the right to reduce the child’s hours or stop them attending pre-school. If necessary, fees may be sought via the small claims court.
- **Late Drop offs-** Sessions start at 8.45 and we expect all children to be in the setting before 9am. For the safety of our children, our front gate is locked from 9am. We appreciate that, from time to time, there are occasions when individuals may be running late to drop children off to pre-school. However, when staff have to leave the building to let late arrivals in, they cannot support our children. Therefore, we reserve the right to charge a late drop-off fee to parents who are late in bringing their child to pre-school if this happens on more than 2 occasions within a 2 week period. A £10 fee will be applied for every late drop off thereafter.
- **Late Collection** – When children are not collected on time, they have to be supervised by two staff members, as per our safeguarding policy. Staff members cannot complete their usual end of day tasks and may need to work additional hours if late collection occurs. Therefore, a late collection fee will be charged when children are not collected on time if this happens on more than 2 occasions within a 2 week period. A £10 fee will be charged for every 10 minutes until the parent or carer arrives.

- ❖ No charge will be made to parents for Bank holidays. However, should the preschool be closed for reasons beyond our control, such as extreme weather conditions, sickness, etc., the usual charges will apply and no refunds will be issued. We apologise but it is also not possible to swap days in these circumstances.
- ❖ All fees will be charged unless specific arrangements have been agreed and whilst a childcare contract remains in place.
- ❖ **Extras** – Occasionally we offer special activities and events that you may be required to contribute towards in order for them to go ahead such as external groups to deliver music sessions, family sessions to celebrate e.g. mother's/Father's day and crafts that aren't covered under normal funding.

Changing your childcare contract
Changes to the days and hours you require must be given in writing to the pre-school manager. We require 4 weeks' notice of changes. We do our best to accommodate additional hours, but depending on staffing and the number of children already in setting, these cannot be guaranteed.

In the case of reducing hours, these spaces will be offered to children on the waiting list. There is no guarantee that the same hours can be reallocated to you at a future date.

Terminating your childcare contract
Families wishing to terminate their childcare contract must provide 4 weeks' notice in writing to the Pre-School manager. Any funding entitlement claimed beyond the notice period is transferrable to your new childcare provider via the local authority where the funding criteria is met. Where a child leaves the setting before the end of the agreed notice period, we will seek authorisation from the local authority to claim any funding applicable to your entitlement up to the end of the notice period, together with any additional fees which formed part of your childcare arrangement (contract).

Review of Fees:
Families will be given at least 6 weeks' notice in writing to inform them of any change in fees, and given the opportunity to discuss their options with the committee chairperson.
Where a time lapse has occurred between the point of enquiry and their child's start date, families should check that the information shared about funding and fees remains current so that any applicable charges can be checked / finalised before the childcare arrangement (contract) is formalised.

Invoicing
All families will be issued an invoice during the first week of each half term for the upcoming half term. The payment term is within 14 days. The invoice will be itemised to provide clear and transparent information concerning the charges as agreed in the childcare contract. It will allow parents/carers to see that the entitlement is received completely free of charge and understand additional fees that have been applied.

Reserves

The Pre-School needs reserves in order to:

- meet redundancy liabilities should a decision be made to close the Pre-School;
- ensure there are sufficient cash reserves in the current account to cover day to day running costs;
- 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 (e.g. while adjusting to Pre-School policy changes or following falls in fundraising)
- replace equipment as it reaches the end of its usable life and carry out necessary maintenance.

It is good practice to keep money aside as a reserve to protect the preschool against drops in income or allow it to take advantage of new opportunities. If setting aside money for a specific purpose, it will be made clear that this is separate from our general reserves.

In calculating these amounts, the Pre-School assumes the following:

- Salaries and roles as at September 2023.
- Minimum required notice for each member of staff.
- No redundancy payments for staff members with less than 2 years of service.

In light of the above, the Pre-School aims to hold reserves of 3 months expenditure. Based on the current budget, the target for the total reserve amount is £16,000.

This policy should be reviewed on an annual basis to ensure that sufficient funds are held in reserve to cover any potential unanticipated costs.

Expenses

All trustees, staff and volunteers are entitled to be reimbursed for out-of- pocket expenses which they legitimately incur while promoting and supporting Hainford & Frettenham Preschool. This policy applies to all persons involved with supporting the Preschool, though employees may be subject to taxation law dependent on the nature of the expense.

In all cases, it is important to ensure that the reimbursement of out-of-pocket expenses is not, or does not appear to be, a disguise for making income payments (remuneration) to the recipient(s) which may be subject to tax and National Insurance.

Although claims for the reimbursement of purchases which have personally and properly been made on behalf of the Preschool are usually made together with claims for the reimbursement of out-of- pocket expenses, they are not categorised as expenses within the accounts but as general expenditure under the usual categories.

Changes to the Policy

The committee reserves the right to change the Expenses Policy to maintain consistency with current accepted Best Practice, and otherwise to meet the needs of the Preschool. Whenever possible we will give appropriate advance notice of any such changes. However the Preschool reserves the right to change these Expenses Policy with minimal or no notice when reasonably expedient to do so.

POLICY for Reimbursement of Expenses & Purchases

Employees

Employees are entitled to be reimbursed by the Preschool for expenses ***"wholly, exclusively and necessarily"*** incurred by them in carrying out the performance of their duties, on submission of an appropriately authorised claim and relevant supporting documentation.

- **"Wholly and Exclusively"** means that the expense was incurred fully in relation to preschool activity and does not have a dual purpose.
- **"Necessarily"** means that the expense is essential for the work of the preschool and the activity taking place.

Expenses paid to an employee outside these definitions will be subject to PAYE and National Insurance. Please note that, under current tax legislation, employees are **not permitted** to claim travel expenses from their home to their normal place of work.

Any costs incurred should be reasonable and must be comparable with alternatives of similar quality/purpose. This does **NOT** mean that the cheapest goods/services must always be purchased. Where the additional benefits to the Preschool are clear, a more expensive goods or service can be chosen over a cheaper alternative. However, the claimant must always be ready and able to give a credible justification for their choice if challenged.

Trustees/Committee Members

Expenses can be paid to trustees and committee members for costs incurred in order to carry out their duties, in the best interest of the preschool. For example, this may be cost of training, travel costs or purchasing something directly for the preschool. Expenses should not be excessive and must relate to legitimate trustee activities.

Trustees cannot be compensated for carrying out their work as a trustee.

Any expense should be necessary, proportionate and reasonable. As above, any costs incurred must be comparable with alternatives of similar quality/purpose. This does **NOT** mean that the cheapest goods/services must always be purchased. Where the additional benefits to the Preschool are clear, a more expensive goods or service can be chosen over a cheaper alternative. However, the claimant must always be ready and able to give a credible justification for their choice if challenged.

Authorisation

Expenses may only be incurred, and subsequently reimbursed by the Preschool, in respect of activities which are a necessary part of the day-to-day running of the Preschool, or relate to agreed and approved fundraising activities (i.e. by PRIOR agreement with the relevant committee members). Likewise, goods and/or services may only be purchased on behalf of the Preschool, and subsequently reimbursed, in respect of activities which are a necessary part of the day-to-day running of the Preschool, or relate to agreed and approved fundraising activities (i.e. by PRIOR agreement with the relevant committee members).

Any purchase in excess of £20 must be agreed and approved by at least 2 officers of the committee in advance of the purchase taking place. Should approval not be sought and granted, the expense may not be reimbursed.

Procedure for reimbursement of Expenses & Purchases

Submitting Claims for Reimbursement of Expenses & Purchases

- Claims for the reimbursement of expenses must be submitted to the treasurer.
- Claims for the reimbursement of expenses must be accompanied by documentary evidence of the expense (e.g. point-of-sale receipt, invoice, etc.). Where such evidence is not available the claimant must provide a written explanation to the Treasurer for approval;
- The Preschool reserves the right to decline to reimburse expenses for which reasonable documentary evidence has not been provided;
- Trustee ’expenses must be authorised by the Chair or Treasurer;
- All expenses claims must be submitted within 30 days of the relevant activity.
- Expenses may only be claimed later than 30 days with prior approval from the Treasurer.
- Expenses claims may also include claims for the reimbursement of goods/services purchased by the claimant on behalf of the Preschool.
- Claims for the reimbursement of purchases must be accompanied by documentary evidence of each purchase, e.g. point-of-sale receipt, invoice, etc.

Reimbursement of Expenses & Purchases

- All claims submitted for the reimbursement of expenses incurred relating to Preschool activities and/or purchases made on behalf of the Preschool will be vetted for compliance with charity law, taxation law and these policies and procedures before being authorised for reimbursement.
- Claims which are not in the prescribed format, incomplete (e.g. missing required supporting documents), inaccurate or otherwise not compliant with relevant legislation will be returned for correction or rejected.
- Valid claims will be authorised for reimbursement as soon as is reasonably practical after receipt. Payment will usually be made by BACS transfer directly to the claimant's bank account. Alternatively payment can be made by cheque or, in the case of small claims (less than £5), may instead be made by cash where appropriate.