

**Financial Practice Procedures**

**Bank Accounts**

* At least four cheque signatories are identified from the committee and staff members, with two signatories to sign each cheque.
* The preschool manager and administrator each hold a preschool debit card which may be used for everyday expenses e.g. items for children’s activities, cleaning goods, stationary and other small consumables. Receipts will be maintained by the administrator and these will be checked against the bank account by the treasurer.
* The Bank statement is supplied monthly for the current account and quarterly for the reserve account. The statement goes to the Preschool.
* Reconciliation between the cashbook and the bank statement is to be carried out each month and differences are investigated and resolved, by the administrator.
* A copy of each bank reconciliation is presented to the treasurer for approval.
* Cheque books, receipt books and bank statements are kept in a secure location when not in use.

**Cash Management**

* Cash kept on the premises at any one time must not exceed the amount shown on the Preschool insurance policy.
* All monies are placed in the Preschool locked cash box. The cash box is emptied when required by two nominated people and amounts are recorded.
* Cash is banked when required and is always banked when the value of cash kept in the premises exceeds that stated in the insurance policy.
* Cash is banked ‘intact’ and not used to fund purchases.
* Monies collected at fund raising events will be counted and bagged by two committee members and given to the administrator for banking.

**Petty Cash**

* The approved maximum value of the petty cash float is £20.
* A proof of purchase, till receipt or invoice must be produced for reimbursement and retained for audit purposes.
* A sequentially numbered receipt is to be issued and a copy retained each time a payment is made.
* Reconciliation between the float and the balance of cash remaining should be carried out on request and differences arising must be investigated and resolved.
* Petty Cash is kept in a locked drawer and accessed by key holders.

**Recording Income and Expenditure**

* Each item of income received and payments made is recorded in an electronic cashbook, printed out and signed monthly by the treasurer. An electronic copy of the cashbook is emailed to the chair.
* Any income received by cash or cheque is to be recorded in the cashbook along with the bank paying in book reference number.
* Each invoice will have the date paid and method written onto it and paid invoices are filed in a Paid Invoice file.
* The retention of all documents is for a period of 6 years and is to be kept in a secure location.

**Authorisation of Goods/Services**

* The committee will approve a list of members and staff who can authorise and purchase goods and or services from the organisations funds.
* The committee will approve the maximum and minimum amounts that signatories can authorise and type of signatory who can authorise those amounts.
* Expenditure over £150 must be notified to the treasurer and chair for authorisation before purchase.

**Authorisation Limits and Signatories**

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| --- | --- | --- | --- |
| **Value of purchase or Transaction** | **Type of purchase or transaction** | **Number of signatories required to authorise a purchase/transaction** | **Type of signatories required to make payment once authorised (if necessary)** |
| £0 - £100 | Equipment/Materials/  Fees | Two | Administrator or manager and treasurer |
| £101 - £250 | Equipment/Materials/  Fees | Two | 2 committee members or 1 committee member and manager  or administrator & manager |
| Over £250 | Equipment/Materials/  Fees | Two | 2 committee members or 1 committee member and manager or administrator & manager(prior authorisation required) |
| Payroll | Payroll | Two | 1 committee member and manager or administrator & manager |
| High Value Expenditure under £1,500  Regular Items | Insurance, tax, | Two | manager & administrator with chair & treasurer informed or manager & chair or chair & administrator (with treasurer informed) |
| High Value Expenditure under £1,500  Exceptional Items | One off items | Two | manager and chair or chair and administrator or manager & administrator (prior authorisation required) |
| Over £1,500  Exceptional items | Exceptional Items | Two | manager and chair or chair and administrator or manager & administrator (prior authorisation required) |

**Payroll**

All payments to staff must be authorised by two authorised signatories irrespective of the value of the payments. The calculation and authorisation of staff pay must not be carried out by the same person. The session leader must initial hours on time sheet daily. The treasurer will review the timesheets and payroll.

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**Fee policy**

The Committee must approve the fee policy which should be reviewed and re-approved annually. The fee policy must contain:

* the fee payable (full and discounted if applicable)
* the date when fees are due.
* the action taken if fees are not paid the date the policy was approved and the length of time the policy is applicable for.
* the date the policy will be reviewed.
* what to do if a parent has any concerns with any area of the policy.
* the fee policy is kept in the Policy folder which can be viewed on request.
* a separate record of fees collected from each parent is to be maintained.

**Wages**

* Terms and conditions of employment changes must be authorised by the Committee.
* Employees’ pay is issued with a payslip which itemises Gross pay, Deductions and Net pay.

**Financial Review**

* An annual budget of planned income and expenditure is produced and approved by the Committee.
* Actual income/expenditure is regularly monitored against the budget with a financial report of this produced and presented at every Committee meeting. Minutes from the Finance sub-committee meetings will be circulated to the whole committee.

**Assets**

* Purchases of equipment over £500 will have at least 3 separate quotes.
* Assets valued at £500 and over must be recorded in an Asset Register and added/deleted when appropriate. The register is to be checked annually, in July.

**Expenses**

* Expenses will be reimbursed when an expenses form is completed and given to the Administrator.

This Policy was \*adopted/renewed at a meeting held on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_­­­­­­­­­­­­­­­­­­­

Signed on behalf of Pre-school by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed on behalf of Pre-school Staff by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Position \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

The Policy will be reviewed on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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