

Finance Policy

Please take time to read the pre-school policies and let the Pre-school Leader or Chair know if you have any questions.

The policies are also available to read on our website: www.streatleyhillpreschool.com

Fees policy

- The level of fees will be set by the committee and reviewed as frequently as needed, but at least once annually in light of the setting's financial position, its future strategic plans and any other broader economic or social considerations deemed relevant.
- Payment of fees should be made half-terminly. The treasurer/book-keeper must be informed of which payment method is used.
- Parents/carers wishing to negotiate this or any other alteration to the standard fees policy should arrange a meeting with the treasurer at the earliest possible opportunity.
- Where fees are not paid on time, an interest charge of 8% above bank base rate will be added to the balance of the account
- If fees remain outstanding by the end of term, sessions will be withdrawn until the outstanding debt is cleared. Once payment is received, sessions may be requested following negotiation with the administrator, supervisors and committee.
- Any person having difficulty paying fees should speak to the treasurer, chair or the Lead Teacher.
- The committee reserves the right to take legal action, if necessary, to recover any outstanding payment.

Reserves policy

The committee has reviewed Streatley Hill Pre-School's need for reserves in line with guidance issued by the Charity Commission and the Pre-school Learning Alliance. The Pre-School needs reserves in order to:

- Meet redundancy liabilities should the pre-school have to close;
- 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 school policy changes or following falls in fundraising);
- Replace equipment as it wears out and carry out necessary building maintenance; and
- Remove the pre-school building from the primary school site, if needed.

Therefore, the pre-school aims to maintain:

- Reserves to meet redundancy liabilities equal to 25% of total annual wages – this amount to cover contractual notice period (min 4 weeks, max 12 weeks) and statutory redundancy pay (1 week per year to 12 weeks);

- General contingency reserves equal to one term's (i.e., one-third of annual) total expenditure, excluding maintenance and depreciation;
- Maintenance contingency reserves equal to one term's (i.e., one-third of annual) maintenance expenditure, averaged over the previous three years; and
- A designated contingency fund, accumulating over time, to cover the estimated costs of replacing the pre-school building when its life span (approx. 25 years) expires or becomes apparent.

The committee believes that this level of reserves is prudent and necessary to ensure that the pre-school can run efficiently and meet future needs.

The committee will monitor the actual level of reserves and compare with the target level at least once a year (at the financial year end). The pre-school has no restricted funds, and therefore essentially all cash balances can be considered to be part of reserves.

In the event of reserves falling significantly below the target level, the pre-school will aim to restore the reserves as soon as possible by increasing fundraising, increasing earned income or reducing expenditure.

Surplus Policy

If the pre-school makes a surplus at year end, 20% may be kept back in reserves to meet unexpected circumstances (as noted in reserves policy above). However, as the pre-school is a charitable organisation, and if reserves are at a sufficient level, then all remaining surplus will be put back into the pre-school.

Investing in the pre-school

The pre-school will commit to invest in:

- **Staff**

By the following means:

- Retention of staff working hours – the school will aim to keep staff hours consistent throughout the year and not reduce staff working hours when numbers are traditionally lower at the start of the September term;
- Staff training – the school will commit to investing in staff training for its permanent staff members and provide a training budget for each forthcoming financial year. When a member of staff has undertaken a training course, we would require a retention period of 6 months.

- **The building**

The pre-school will continue to invest in maintaining its current building, putting in new additions to assist with learning (e.g., canopy for outdoor learning and play). The pre-

school will also commit to creating and maintaining a large, safe garden for the children to play and learn in.

- **Equipment**

The pre-school will continue to invest in equipment as the head of the pre-school and committee deem appropriate.

This policy was first adopted at a meeting of Streatley Hill Pre-school Committee on:	December 2019
This policy was last amended and reviewed on:	January 2021
Date of next review:	December 2021
Signed on behalf of the Committee by:	Gemma Jenkins
Role of Signatory:	Treasurer