

Day Care Fee Collection in Children's Centres

Minimum Standards

1. Introduction

1.1 These standards apply to all Children's Centres run by North Halifax Partnership.

2. Terms, Conditions and Setting of Fees

2.1 An annual review of fees will be undertaken in January each year by the Area Management Team. Consideration will be given to the area surrounding the Centres and private provider fees in the catchment areas. Fee payers will be given a minimum of two months' notice of any increase in fees and price changes should be implemented on 1 April each year.

2.2 No deduction of fees is allowed for holidays or siblings.

2.3 No charges should be made for the full or part day where the Centre is not open due to training days (2 full days closure per calendar year), Bank Holidays, full or partial closures due to weather conditions, or problems with premises.

3. Fee Collection

3.1 Where Children's Centres have a safe, only delegated staff should have access to the safe and each Centre should keep a list of who these are. Keys should only be kept on the premises overnight if they are not located in the same room as the safe and are locked away. If the centre does not have a safe cash should be kept in a lockable tin, which should be kept in a lockable drawer. Please refer to the finance working practice for acceptable amounts to be kept on site at any one time.

3.2 Where possible, only designated staff should accept fees. The names of designated staff should be on display for parents/guardians.

3.3 A duplicate cash receipt book must be in place and used to record any cash/cheque transaction. One copy of the cash/cheque receipt must be issued immediately for each cash or cheque transaction. The other copy must be retained in the duplicate book for financial records.

3.4 Debit card payments can only be made in person via the Chip and Pin. A receipt must be printed at the point of each debit card transaction. A copy of the receipt must be given immediately to the customer and a copy retained in the centre for financial records. **Please note: The Chip and Pin system does not accept Credit cards**

3.5 Any spoilt cash/cheque receipts must be countersigned by the Manager and kept in the receipt book. No spoilt receipts should be disposed of.

3.6 All bank notes should be checked as far as possible for authenticity. Post-dated cheques must not be accepted. Personal cheques and IOU's must not be exchanged for cash.

3.7 Cash reconciliation before banking should be carried out fortnightly as a minimum by two staff members. All cheques and cash must be reconciled to cash/cheque receipts.

3.8 All debit card payments must be reconciled weekly to the CMBC payment report.

3.9 Fees should be recorded and banked in their entirety and not retained for any purpose. The amount of cash in transit should comply with North Halifax Partnership finance procedure and working practice.

Under no circumstances should cash be taken home by any staff member.

3.10 One member of staff will be the nominated staff member for dealing with childcare vouchers.

This person will:

- Be the contact for voucher companies
- Receive notification of a voucher payment from company
- Confirm that this voucher is for the correct Centre and child
- Once confirmed, **where required** the notification email **must** be forwarded to the Finance Officer in Core Services
- Voucher remittances must be checked against the bank, once confirmed payment is in the bank a corresponding payment will be made against the child's invoice on Nursery Manager, the income input on sage accounts and the remittance submitted to the Core Services finance manager

3.11 All payments, however collected, must be reconciled with the financial ledger at least monthly using the relevant database package. The

reconciliation should be signed and dated by the staff member performing the reconciliation. The completed document should then be filed with the Nursery Manager banking reports for management and audit inspection.

4. Debt Management

4.1 The terms and conditions of the Children's Centre must be clear and include reference to the fact that information relating to bad debts and bad debtors is shared between Children's Centres. A note will be made on the Softsmart system of any family who leaves owing money. This sharing of information is covered by the fact that all parents sign the Children's Centre Membership form.

4.2 A £10 late payment fee, chargeable at the discretion of the Deputy Children's Centre Manager, should be outlined in the terms and conditions.

4.3 The terms and conditions should be discussed with the parent/guardian at the time of entry and the parent /guardian made aware this can be accessed online on the website. A copy of the Terms and Conditions must be signed by the parent/guardian before a child takes up a place and a copy retained by the Centre. Where appropriate both carers should sign the Terms and Conditions.

4.4 Invoices must be raised and distributed by the 15th of each month in advance for the following month. The invoice must state full payment of the invoice is required in advance, on or before the 1st of the following month.

4.5 The invoice should be addressed to the person who signed the payment terms and conditions.

4.6 On the 2nd of each month each Centre must have in place methods to identify where fees remain outstanding and must ensure parents/guardians are made aware of the outstanding debt and have steps in place to receive payment.

4.7 If payment is not received in accordance with a payment agreement childcare places can be suspended. If this is necessary Letter 1 Appendix C must be sent out immediately

4.8 If the parent/guardian discloses a financial difficulty, then every attempt must be made to support the parent – debt advice, payment plan, reduce child's days if possible, support with tax credits – evidence will need to be provided. However, it is important they are clear of what is expected of them and that continued late payment is not an option.

4.9 North Halifax Partnership reserve the right to use the small claims court to recoup monies owed from debtors where the debt is over £100.

- 4.10 A nursery income meeting should be held by the 10th of each month to monitor fee income, pick up any early signs of difficulties in making payment and monitor outstanding debt. Minutes should be available for inspection.
- 4.11 Whenever possible requests for extra sessions should be accommodated to support children and families. It is good practice for parents/carers to pay for this immediately and a cash or debit card receipt issued. Any extra sessions will then be entered on the following month's invoice.
- 4.12 If parents/carers wish to overpay this can be recorded on their individual account
- 4.13 Bounced cheques should be dealt with as unpaid fees; it is acceptable to make a charge for these.
- 4.14 Debt levels should be recorded on the day care data collection spreadsheet. The Service Manager will be responsible for monitoring debt on a monthly basis.

5. Closure of Place

- 5.1 If under exceptional circumstances a place is to remain open despite non-payment, the Deputy Children's Centre Manager must talk to the Centre Manager and discuss any proposed action. The Children's Centre Manager's response must be documented and retained at the Centre.
- 5.2 If a place is closed, action should continue to be taken to recover the outstanding debt. This should involve sending letters to the parent including, where realistic, offering a payment plan over a short term until the debt is clear.
- 5.3 We are unable to refuse a child a place on 2, 3 and 4 year Early Education Funding based on debt owing but every effort should be made to negotiate repayment of the debt with a parent/carer.
- 5.4 Children's Centres should notify all other Children's Centres of any bad debtor via the notes section of the Softsmart system.
- 5.5 In June each year, North Halifax Partnership will set a date to consider requests to write off debts. This request should be made formally in writing by the

Children's Centre Manager by the end of June. The reason the debt has accrued must be identified and steps taken to resolve it outlined.

6. Financial Accountability

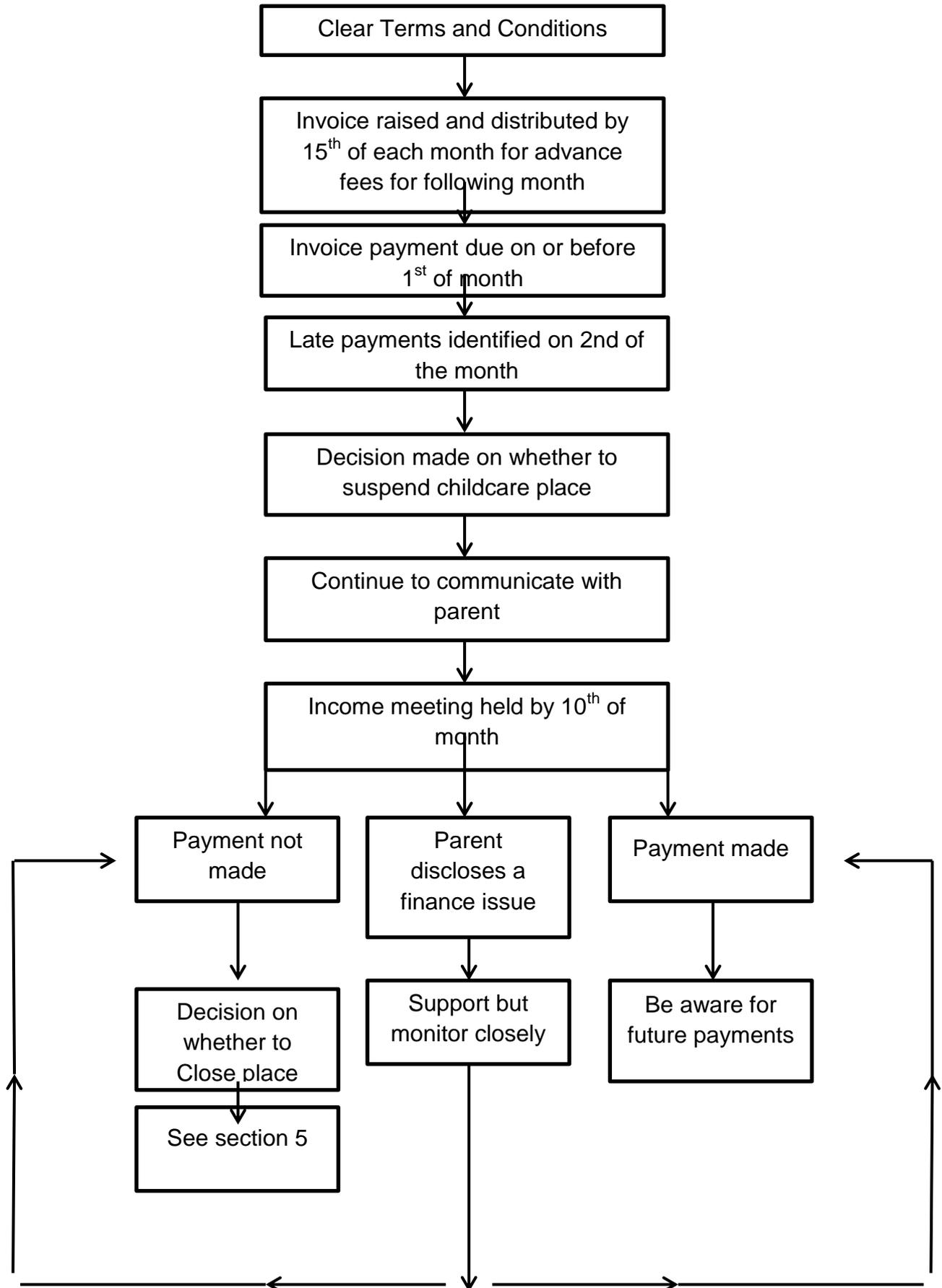
6.1. The Children's Centre Manager or Deputy Children's Centre Manager should regularly spot check any invoices raised and record any findings for accuracy or mistakes. As a minimum, invoices raised by Nursery Manager users for their own family or friends must be spot checked at least every 6 months.

6.2. Occasionally, an invoice will be raised in error. For example, a parent may request an additional session just after an invoice is raised; or at the point of raising the invoice, a mistake about sessions booked is made and it may be necessary to delete an invoice. Under these circumstances the Administrator will inform the Deputy Children's Centre Manager or Children's Centre Manager and a record will be kept of the reason to delete the invoice which must be countersigned by both the Administrator and the Children's Centre Manager or Deputy Children's Centre Manager authorising the deletion of the invoice. This will be checked on a quarterly basis by the Children's Centre Manager, who will audit requests made and the record of deleted invoices against the nursery manager invoice system.

6.3. Where an incorrect payment is made to an account, for example 2 identical payments are credited to the same account, the same system should be followed to cancelling an invoice, i.e. Deputy Children's Centre Manager to cancel payment duplication, Children's Centre Manager to check quarterly

See Appendix B – sample logs. You may wish to use the samples below – If you do not use these samples you must have a clear recording system in place.

Appendix A: Summary Flow Chart



Sample Appendix B: Log of Amendments Made to Invoices

Date	Invoice Number	Child's Name	Amount Altered		Reason	Signed (person who amended invoice)
			From	To		

Sample Permission to Delete an Invoice or Payment

Date	Invoice Number	Child's Name	Request made	Reason	Requested by	Authorised by

Appendix C – Non payment of fees/suspension of place letter 1

Date

Name

Address

Dear (name)

Due to non payment of nursery fees I am confirming that your nursery place for (insert child's name) has been suspended with immediate effect.

We require you to settle your outstanding invoice to the sum of (insert amount) as a matter of urgency.

Please note that if we do not hear from you by (insert date of 7 days from date of letter), we will have no alternative but to commence preparing your details and relevant documents to submit a case to the small claims court.

You need to be aware that if your details are passed on to the small claims court this may affect your credit rating and your outstanding balance will increase as all charges incurred will be passed onto you.

We have a strict procedure to follow where all outstanding fees are concerned, so I must urge you to contact us immediately.

Yours sincerely

Name

Title

Appendix D – Letter 2

Date

Name
Address

Dear (name)

We refer to our letter of (insert date) to which we do not appear to have received a response.

Please note we have prepared your details and relevant documents and are now submitting your case to the small claims court.

You need to be aware that when your details are passed on to the small claims court your outstanding balance may increase as all charges incurred will be passed to you.

Yours sincerely

Name
Title