



# Rainbow Teddies Pre-school Policy Document

## Finance

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### Safeguarding and Welfare Requirements:

3) Staff Qualifications, Training, Support and Skills

10) Information and Records

### EYFS Key Themes and Commitments:

*A Unique Child*

*Positive Relationships*

*Enabling Environments*

*Learning and  
Development*

This policy was adopted at a meeting on:

Review Date:

Signed: ..... on behalf of the Management Committee

Print Name: ..... Position: .....

Signed: ..... Pre-school Manager



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## Finance

Accurate accounting records will be kept in line with the *DfES Code of Practice* in relation to receipt of the Nursery Grant and the *Charity Commission regulations*.

Accounts will be checked annually by an independent examiner and the Charity Commission returns completed.

The Treasurer / Book-Keeper will prepare monthly financial statements detailing income / expenditure / profit / loss. The statement will clearly state the current status of the current account / reserve account / fund-raising money and any money restricted for expenditure from specific grants.

The Reserve Account and Petty Cash policies will be adhered to at all times.

A Budget will be set annually. Income and expenditure will then be monitored throughout the financial year.

Bank statements will be sent to Rainbow Teddies at Manorbrook. Two copies of each statement will be required – one for the Chairperson and one for the Treasurer / Book-Keeper.

All cheques must be signed by at least two of the four signatories on each account.

The current signatories for the pre-school bank accounts are:

- Book Keeper
- Treasurer
- Pre-school Manager

Invoices / receipts will be kept for all payments/income.

Where the invoice/receipt is lost the person will submit the details on paper and sign and date.

Receipts will be issued for all fees and other non-fundraising income.

Any single item purchase of more than £80 must be previously agreed by the committee.

Any single item purchase of between £80 to £500 should in the first instance be agreed by the committee, however in a situation where circumstances mean that this is difficult / time consuming to get, an agreement can be obtained from the Chair, Vice Chair, Secretary and Treasurer on behalf of the whole committee.

Accounts will be kept up to date and will be available for inspection if requested by any regulatory body of any member of Rainbow Teddies staff, committee or parents.

## ***Reserve Account***

The pre-school will maintain a reserve account.

The transfer of money into or out of this account will be at the discretion of the Management Committee.

Monies held in this account will be sufficient to cover the following two requirements:

Potential redundancy costs in the event of the pre-school requiring to be wound up. Redundancy costs shall be calculated / reviewed annually by the Treasurer / Book-Keeper to ensure that enough money is reserved. This will be done annually in September.

If funds allow, a minimum of £1,000 over and above the redundancy costs shall be held in the reserve account. This will be to be used as an emergency fund to allow the pre-school to continue to function in the event of cash flow problems or unexpected and unbudgeted expenses which require immediate payment.

Allocation will be at the discretion of the Management Committee.

In the event of money from the emergency fund requiring to be used, and reducing it below its £1,000 lower limit, it shall be reimbursed back to the £1,000 level as soon as financially viable.



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The reserve account may also be used to hold any surpluses generated at the financial year end. The subsequent expenditure of these funds will be at the Management Committee's discretion and for the benefit of the entire group as it will be considered appropriate at the time.

It will be anticipated that these funds will not be held indefinitely but used within the next financial year.

Should the committee wish to retain these funds in the longer term it must be for a specific purpose and will be recorded as such in the minutes of the Management Committee's meetings.

Accurate accounting records shall be kept at all times. These will be reported monthly by the Treasurer / Book-Keeper to the management committee and detailed in the pre-schools monthly and annual accounts.

After consideration by the Management Committee, any surplus balance in the current account may be distributed to the staff in the form of a bonus.

This will be paid as part of the September salary.

Where a member of staff leaves the pre-school no bonus will be payable.

## ***Petty Cash***

No more than £50.00 will be held in petty cash at any time.

Petty cash will be held securely and operated by the pre-school staff.

Petty cash will be to be used for the purchase, by staff or committee, of small expendable items or resources.

Only purchases of £10.00 or less can be reimbursed from petty cash.

All purchases exceeding this limit will be reimbursed by cheque or online payment by the Treasurer / Book-Keeper.

Staff can opt for full reimbursement of expenditure via online payment.

A valid till receipt will be required for reimbursements of all purchases.

Where the invoice/receipt is lost the person will submit the details on paper and sign and date.

An accurate record must be kept of all petty cash transactions.

Only cash drawn directly from the bank, expressly for petty cash use shall be entered into the petty cash accounts.

Petty cash expenditure will be reported regularly to the Management Committee by the Treasurer / Book-Keeper and detailed in the pre-schools monthly and annual accounts.

## ***Debit cards***

In order for staff to make purchases on behalf of Rainbow Teddies of more than the petty cash limit and not from their own personal accounts, we will provide Debit cards. These will be issued to the Manager and senior members of staff. The purpose of the card is to pay for small items of expenditure, such as snacks, cleaning materials, gardening items, etc.

The limit on the cards is £200 per day. A total of £1000 will be kept in the account to cover expenditure. No single transaction should exceed £80 unless prior committee (or sub-committee – chair and treasurer) approval has been granted.



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Receipts from purchases must be obtained and passed to the Treasurer on a timely basis, who will enter the items into the accounts.

The debit cards are the property of Rainbow Teddies and must only be used for Rainbow Teddies purchases. Debit cards should be returned if the employee leaves or on request by the management committee.