The Local Authority (LA) has a duty under the Childcare Act 2006 and Statutory Guidance to ensure parent/carers are receiving the Early Education funding completely free.

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| Childcare Act 2006  [Section 7 (as substituted by section 1 of the Education Act 2011)]  *“places a duty on English local authorities to secure early years provision free of charge. Regulations made under section 7 set out the type and amount of free provision and the children who benefit from free provision.”*  Statutory Guidance – April 2024  [A1.40]  *“Work with providers to ensure that their invoices and receipts are clear, transparent and itemised allowing parents to see that they have received their child’s free entitlement completely free of charge and understand fees paid for additional hours or services. Invoices and receipts should include the provider’s full details so that they can be identified as coming from a specific provider.”* |

To support the LA to meet this duty, providers opting to offer the Early Education funding will sign a Local Authority Funding Agreement and submit together with other documentation a sample invoice detailing how parent/carers are charged if they access the early education entitlement.

Whilst it is acceptable to issue handwritten invoices, it is good practice that invoices are in a typed format. Invoices should include the following information as a minimum –

* the word “INVOICE” on the document
* an invoice number (which is a unique reference number)
* the date of the invoice
* your business name, address, Ofsted / Agency number and any contact details
* the name and address of the parent/carer being invoiced
* a clear description of what you are charging for
* period childcare relates to
* type of childcare (eg. nursery, after-school, breakfast club, wraparound)
* child’s name
* number of contracted hours
* number of free hours deducted
* additional services received
* hourly / sessional rates
* the total amount to be paid

If the business is a registered limited company, the following must also be included –

* the registration number
* the registered office

Other information may include –

* payment details (terms, bank account details, method of payment and due date)
* notes

Providing these details on your invoice will also help families needing to evidence childcare costs for the purpose of Universal Credit Childcare.

More information about invoicing and taking payment from customers can be found on the [GOV.UK website](https://www.gov.uk/invoicing-and-taking-payment-from-customers/invoices-what-they-must-include).

**An invoice is not –**

* **A Receipt**

This is an acknowledgement of payment and is issued when an invoice has been paid or other income has been received, eg. voluntary contribution, fundraising event

* **A Remittance**

This is a document / slip used by a parent/carer to inform the provider that their invoice has been paid

* **A Record of Attendance**

This is a register which records the attendance of children at each session

* **A Statement**

This is a document listing all invoices which have not been issued to a customer and have not been paid

**Record Keeping**

Providers are reminded that all businesses should keep complete and accurate records for tax purposes, the collation of financial statements, reports and where applicable to enable Committee members to make sound financial decisions.

The records would include –

* details of sales and income received
* details of purchases and expenses
* details for payroll

These records would be evidenced by supporting documents such as invoices, receipts, and time sheets. All supporting documents should be kept in a secure environment and retained per your document retention policy.

Please note for tax purposes inadequate record keeping or records being destroyed prior to the requirements of HMRC may result in a penalty. Providers that complete personal or business returns for HMRC should seek advice directly from them at <http://www.hmrc.gov.uk/>.

**Funding Records**

The LA is required to ensure that the funding is used properly, and funding has been claimed appropriately.

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| Statutory Guidance – April 2023  [A4.19]  *“that the funding provided is used properly and in accordance with any arrangements made with providers”* |

Each claim period the LA (Early Years Finance Team) will check that submitted claims -

* have met the national parameters
* do not exceed the annual maximum available
* do not significantly exceed the recommended or stretched hour maximums

The team may request a parent/carer claim form where claims are –

* 6 weeks or less between attendance dates
* 28 days or less
* 60 hours or less

If necessary, the Local Authority will instigate an investigation or audit to ensure its responsibilities under the statutory guidance for Early Education funding are met. As a mandatory document to claim funding, the parent/carer claim forms will be required as evidence in an investigation or audit, together with registers.

The Early Years Finance team will also complete random spot checks to ensure parent/carer claim forms are in place and have been signed and completed in full.

**Local Authority Funding Agreement**

A copy of an invoice is required as part of the agreement compliance checks. Early education invoices issued to families must be clear, transparent, and itemised. The document must allow families to see directly or easily calculate that they have received their child’s funded place (hours) completely free of charge and additional fees are listed.

When submitting your sample invoice where possible please redact one that has been recently issued to a family where they have received the early education entitlement **and** additional hours.

Many providers have invested in software products to support the administration of issuing invoices. These invoices must also comply with the requirements.

**Examples**

This guidance includes 4 sample templates. These templates are **examples of how an invoice could be presented** to enable parent/carers to clearly see that the entitlement is completely free, and the additional hours / services have been charged where incurred.

* Example 1: Weekly Invoice
* Example 2: Monthly Invoice
* Example 3: Monthly Invoice
* Example 4: Termly Invoice

The simplest method to demonstrate that the funding is free is to present the information as follows –

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| Total Number of Hours Attended 300  Less Total Number of Funded Hours Claimed 210  Total Number of Hours to be paid 90 @ £4.00 per hour  Total Owing £360.00 |

Providers are reminded that the Government funding is intended to deliver 15 or 30 hours a week of free, high quality, flexible childcare. It is not intended to cover the costs of meals, other consumables, additional hours, or additional services.

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| |  |  |  | | --- | --- | --- | | **Example Nursery**  **County Hall**  **Martineau Lane**  **Norwich**  **Norfolk NR1 2DL**  **Ofsted Number: EY12345**  01603 222300  [earlyyearsfinance@norfolk.gov.uk](mailto:earlyyearsfinance@norfolk.gov.uk) | **INVOICE** | | | **Invoice No.:**  **Date:** | 100  01-Sept-24 |  |  |  | | --- | --- | | **To:**  Mrs A Smith  2 White Lane  Trowse  Norwich NR1 6GH  **Child’s Name:**  George Smith | **Nursery Childcare - w/c 23 September 2024**  **Mon** 9am to 3pm 6 hrs funded £0.00  **Wed** 9am to 3pm 6 hrs funded £0.00  **Fri** 9am to 12am 3 hrs funded £0.00  **Fri** 12am to 3pm £3.00 per hour £9.00  **Additional Services**  **Lunch** Mon & Wed £2.00 per meal £4.00    **TO PAY: £13.00** |  |  | | --- | | **Payment Terms:** Weekly in advance  **Due By:** 22nd September  **Method:** Cash / Internet Banking  **Bank Account Details:** (name)Example Nursery (sort code) 11-11-11 (account no.) 12341234  **Notes:** To help with childcare costs, do not forget to sign up for Tax Free Childcare or Universal Credit Childcare | |

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| **Example Nursery County Hall Martineau Lane**  **Norwich Norfolk NR1 2DL**  **Ofsted Number: EY12345**  01603 222300  [earlyyearsfinance@norfolk.gov.uk](mailto:earlyyearsfinance@norfolk.gov.uk) | | |
| **INVOICE** | **Invoice No.:**  **Date:** | 100  01-Sept-24 |

|  |  |
| --- | --- |
| **To:** | Mrs A Smith  2 White Lane, Trowse, Norwich NR1 6GH |

|  |  |
| --- | --- |
| **For:** | George Smith |

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| **Period:** | 02/09/24 to 30/09/24 |

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| **Childcare:**  **Additional**  **Services:**  **TOTAL FEES:** | Nursery - Rate per session: £20.00 (£4.00 per hour)  75 hours (15 x 5 hour sessions)  Less  45 hours 3 and 4 year funding (15 x 3 hours funded by the Local Authority)  **TO PAY**: 30 hours @ £4.00 per hour **£120.00**  **Lunch:** 15 meals @ £2.00 each **£30.00**  **Adhoc Sessions:** 1 session (3 hours) @ £12.00 per session **£12.00**  **Consumables:** 16 sessions @ £1.00 per session **£16.00**  **Activity:** Entrance Fee to Zoo **£10.00**  **Unfunded Childcare and Additional Services £188.00** | |
| **Payment Terms:** Monthly  **Due By:** 10th September  **Method:** Cash / Standing Order / Childcare Vouchers  **Bank Account Details:** Example Nursery 11-11-11 12341234  **Notes:** To help with childcare costs, do not forget to sign up for Tax Free Childcare or Universal Credit Childcare | | |
| ✂ |  | | |
| (please include this slip with your payment) | |  |
|  | **Remittance**   |  |  | | --- | --- | | **Ref:**  **Child’s Name:**  **Payment Due:**  **Payment Total:**  **Method:**  **Date:** | Inv 100  George Smith  £188.00 | | | **Receipt**   |  |  | | --- | --- | | **Ref:**  **Child’s Name:**  **Payment Due:**  **Payment Total:**  **Method:**  **Staff Signature:**  **Date:** | Inv 100  George Smith  £188.00 | |

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| **Example Nursery County Hall Martineau Lane**  **Norwich Norfolk NR1 2DL**  **Ofsted Number: EY12345**  01603 222300  [earlyyearsfinance@norfolk.gov.uk](mailto:earlyyearsfinance@norfolk.gov.uk) | | |
| **INVOICE** | **Invoice No.:**  **Date:** | 100  01-Sept-24 |

|  |  |
| --- | --- |
| **To:** | Mrs A Smith  2 White Lane, Trowse, Norwich NR1 6GH |

|  |  |
| --- | --- |
| **For:** | George Smith |

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| **Period:** | 02/09/24 to 30/09/24 |

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| **Childcare:**  **Additional:** | **Attendance Funded\* To Pay**  w/c 2 Sept 2024 10 hours 10 hours 0 hours  w/c 9 Sept 2024 25 hours 15 hours 10 hours  w/c 16 Sept 2024 25 hours 15 hours 10 hours  w/c 23 Sept 2024 25 hours 15 hours 10 hours  w/c 30 Sept 2024 10 hours 10 hours 0 hours  Nursery - Rate per session: £20.00 (£4.00 per hour)  **TO PAY**: 30 hours @ £4.00 per hour  **TOTAL: £120.00**  **No Charge**  **\*** Early Education Entitlementfunded by the Local Authority  Total funded hours funded by Local Authority for claim period: **210**  Total funded hours remaining: **145** |
| **Payment Terms:** Monthly  **Due By:** 10th September  **Method:** Cash / Cheque (payable to: Example Nursery) / Standing Order / Childcare Vouchers  **Bank Account Details:** (name)Example Nursery (sort code) 11-11-11 (account no.) 12341234 | |

**Notes:** The nursery will be on closed 25 October 2024.

If you have any queries concerning your fees, please speak to the Childcare Manager.

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| **Example Nursery**  **County Hall**  **Martineau Lane**  **Norwich**  **Norfolk NR1 2DL**  **Ofsted Number: EY12345**  **Email:** [earlyyearsfinance@norfolk.gov.uk](mailto:earlyyearsfinance@norfolk.gov.uk)  **Tel:** 01603 222300 |  | |
| **INVOICE** | **Invoice No.:**  **Date:** | 100  15-Aug-24 |

|  |  |
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| **To:**  Mrs A Smith  2 White Lane  Trowse  Norwich NR1 6GH | **For:**  George Smith  **Childcare for the period:**  Autumn Term - 01/09/24 to 31/12/24 |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Contracted Nursery Sessions:** | | **£ Rate** | **Number of Sessions** | | | | | | **Total**  **Hours** | **Funded**  **Hours\*** |
| **M** | **Tu** | **W** | **Th** | **F** | **Total** |
| AM | 08:00 to 13:00 | 20.00 | 14\* |  | 14 | 14\* | 14\* | 56 | 280 | 210 |
| PM | 13:00 to 18:00 | 15.00 |  |  |  |  |  |  |  |  |
| Full Day | 08:00 to 18:00 | 30.00 |  | 14 |  |  |  | 14 | 140 | 0 |
| **TOTAL** | | | | | | | | | **420** | **210** |
| **\* Early Education Funded** (up to maximum offered for claim period) | | | | | | | | | | |

**Fees –**

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| **Nursery Hours not funded by Early Education Funding:**   |  |  |  |  | | --- | --- | --- | --- | | AM (280 less 210 funded hours) | 70 hrs | @ £4.00 per hr | £280.00 | | Full Day | 140 hrs | @ £3.00 per hr | £420.00 |   **Additional Services:**   |  |  | | --- | --- | | 14 x Hot Lunch @ £2.10 | £29.40 | | 1 x PM Session @ £15.00 | £15.00 |  |  |  | | --- | --- | | **TOTAL FEES FOR TERM** | **£744.40** |   **Notes:** To help with childcare costs, do not forget to sign up for Tax Free Childcare or Universal Credit Childcare |

**Payment Details –**

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| --- | --- |
| **Payment Terms:**  **Due:**  **Bank Account Details:**  **Method:** | Monthly (in advance)  1st of each month  account name  sort code11-11-11 account number 12341234  Standing Order / Tax Free Childcare / Universal Credit Childcare |
| **Payments Required:** | |  |  |  |  | | --- | --- | --- | --- | | Sept | Oct | Nov | Dec | | £186.10 | £186.10 | £186.10 | £186.10 | |