



Fee Collection and Payment Policy

As set out in legislation, funded hours of Early Learning and Childcare (ELC) must be free at the point of access regardless of which setting the hours are being delivered in.

Parents and carers will not have to pay for any part of their child's funded entitlement at any time and should not be asked to make any upfront payment, including a deposit or any other payment, in respect of the funded hours. This does not include additional charges such as the cost of outings or extra-curricular activities which can be charged to parents and carers if these are clearly detailed in the payment agreement.

Fees should only be charged for **unfunded** ELC or **optional extras**, the basis on which the fees are to be paid will clear and transparent for any hours or extras that are requested out-with the funded early learning and childcare entitlement, as follows:

- The amount they will be expected to pay, per session, per day, in the case of their child's absence from the group due to holidays or sickness
- How often fees will be collected
- When and how they will be collected.

All charges that you make must comply with the law. Where a business is allowed to make charges (out with the funded entitlement), you must ensure you give your parents full and accurate information about the charge, and not use unfair contract terms.

Charging for privately funded childcare is a matter of contractual arrangement between your ELC setting and the family concerned.

Parents must be issued with a contract which should be signed by both parties detailing the place offered/accepted, and any costs that will be charged for hours/services over and above their funded entitlement. Parents/carers should sign the contract, confirming that they have read, understood, and accept the terms and conditions.

Fair and transparent payment processes will be in place, the setting will always treat all parents/carers who use the service with equality, consistency, and confidentiality.

Fees are needed to develop and sustain the service so when a child starts in a group, the basis on which fees are paid will be made clear in writing to the parents/carers of the child and are as follows:

- The amount they will be expected to pay, per session, per day, in the case of their child's absence from the group due to holidays or sickness
- How often fees will be collected
- When and how they will be collected.

When collecting fees the group will at all times treat all parents/carers who use the service with consistency and confidentiality.

Fees Review

In committee run groups it is the responsibility of the group's membership to decide on the level of fees to be charged. The committee will propose the fee level to the membership at the Annual General Meeting or if necessary at a Special General Meeting in committee run groups. All fees paid are solely for the use of the service and will be used to pay for staff salaries, utility bills, equipment and to develop and sustain the service.

The committee will inform parents/carers of any proposed changes to fees prior to the AGM, where there will an opportunity to discuss levels before deciding on the proposal. Generally, if there is an increase in fees, the increase will come into effect from the start of the new term.

Payment Dates/Method

The committee will discuss and agree a system for the collection of fees with the treasurer. The process needs to be practicable and efficient - for example, they can agree that fees will be paid either weekly, fortnightly, or monthly in advance by one or other of the following methods standing order, direct debit, bank transfer etc. Parents and carers of children using the group will be made aware of the system when joining the group to ensure that payment is made on time.

The procedure for collection of fees and banking the money will be recorded to allow another committee or staff member to take over this duty in the absence of the treasurer/responsible person. If payment is made by cheque or cash - it should be given to the named person within the organisation to whom fees should be paid, for example the treasurer or administrator or the chairperson if neither of them is available. Cheques must always be made out to the group, not to an individual person.

Receipt for Payment

As a charity trustee, you have a duty under the 2005 Act to act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person.

This means that you must act with a higher level of care than you do with your own finances and affairs. You must make sure that you protect the charity's resources and that you do not put the assets of the charity at risk. One way of doing this is to make sure that there are proper financial controls in place.

On payment of fees by cash, a receipt will be issued, which details the amount paid and the period covered. Copies of receipts will be kept by the group. Bank statements will be considered as receipts for payments by cheque and bank transfer.

Payment whilst not using the service

Payment for the service will be paid at all times including whilst being on holiday and off sick.

If **you** are unable to provide the services set out in your contract made with your parents, then you cannot legally charge them.

If your ELC setting must close for unforeseeable circumstances and you cannot provide a service, parents can continue to make voluntary payments, if they wish to do so.

Contract Termination - Time Scale

There will be two weeks given to terminate the use of the service by either the user or the provider.

Late Payment Fee

If fees are not paid at the agreed time a maximum of three letters requesting payment outlining the amount of payment overdue will be sent. The ultimate sanction will be withdrawal of service. An administration fee of £20 will be added to the fees owed for each letter sent.

Under section 33(1) of the 2000 Act, the entitlement to mandatory early learning and childcare should be provided without the payment of fees, including where this is delivered through partner providers under a section 35 arrangement

Returned Cheque Fee

There will be a fee of £10 for all returned cheques.

Refund Entitlement

Any overpayment of fees will be repaid in full.

If in the event that it is not possible to provide the pre-school service for any reason e.g. building closure, adverse weather conditions causing staff to be absent etc, the management committee should consider whether a refund of fees is appropriate or not and decide the most appropriate and fair action for their group.

If the decision taken provides for a refund, consideration should be given to whether users may be entitled to a full or a partial refund of fees after an agreed number of days and for each session the child attends thereafter until the service can be resumed.

If the decision is to not refund, parents should know what the group's policy is on this matter prior to it happening. The group's financial position and its reserves should be taken into consideration when deciding policy in this matter.

In the circumstances as described above, the service will refund fees for any reason such as adverse weather, building closure etc.

Non Payment of Fees

Parents/carers are expected to contact the treasurer if they are having difficulty in paying their fees.

If there is a problem with non-payment of fees, for whatever reason, the situation will be discussed within one to two weeks, confidentially, by the treasurer and the parents/carers concerned to try and reach a reasonable solution for all. The sooner the matter is addressed, the smaller the debt will be and the greater the chances are of recovery. One such solution could be changing the frequency of the payment method from termly to monthly or weekly. If the problem persists, more formal written contact will follow. A letter from the committee to the parent or carer detailing the amount owed and setting a time limit for payment will be sent. If this does not solve the problem, the committee will consider its next course of action. This may result in a legal letter. The committee may be forced to ask that the child be removed from the group.

Recovery of Debt

If fees are not paid, the other alternatives for recovery will be to pass the debt to a debt collection agency or the small claims court. The costs of these processes can be added to the outstanding debt.

Money Advice

The treasurer will signpost individuals to other local support agencies for support with financial matters i.e. local money advice center, citizens advice center etc.

Help with Childcare Costs

<https://www.mygov.scot/childcare-costs-help>

<https://www.gov.uk/tax-free-childcare>

<https://opfs.org.uk/support-and-advice/your-children/help-to-pay-for-childcare-costs/>

Useful information

[Charging of Fees by Childcare Services during COVID-19 Closures or Self-isolation - June 2021.pdf](#)

Small Claims Court in Scotland

Background

The [small claims procedure](#) was introduced into the sheriff courts in Scotland in 1988 as a simple, quick, informal and inexpensive method for setting disputes where the claim is worth up to £3000.

Procedure

This information only applies to small claims actions that were raised before 28 NOVEMBER 2016.

As from 28 NOVEMBER 2016, if you are raising a claim which seeks payment for £5000 or less, delivery or recovery of possession of moveable property or an order for someone to do something specific where there is an alternative claim for £5000 or less, you should use the **SIMPLE PROCEDURE**.

The procedure is intended to allow you to “do it yourself” without needing to employ a solicitor. The procedures are straight forward and court hearings are informal. In claims for payment of money only, you may not even have to attend court if the amount of the claim is not disputed. While you don't need a solicitor you can employ one if you wish. Any solicitor will give further information about what advice is available and the costs involved. Court officials in your local sheriff court can advise you on filling out the court forms and on court procedures but cannot give you legal advice.

How do I make a small claim?

Guidance notes

Guidance notes are available to assist you and provide very useful information on the small claim procedure. They include information on the procedure more generally; helpful advice on completing the forms; defending an action; and some useful information if you need to go to court. It is recommended that you read these guidance notes before deciding whether or not to raise a claim and also to refer to them throughout the procedure. They are available in the **'Guidance Notes' section**.

If you wish to consider settling out of court, information on the various options, including how alternative dispute resolution (ADR) may help solve a consumer problem, is available on the **Citizens Advice Scotland website**.

There are various forms which will need to be used at different stages of the procedure; all forms can be accessed in the **small claim forms section**.

Further information

If you would like further information on the small claim procedure, please contact your local sheriff court. If you plan to visit the court to get further guidance or information it would be helpful to contact the court in advance to arrange a suitable time to do this, for example outwith busy court times. It would also be helpful to mention whether you have any special access or communication support needs. **Contact your local court**.

The Citizens Advice Bureau can also assist you, you can find contact details for your local office on the [Citizens Advice Bureau](#) website and more information on small claims in their guidance document: [What is a small claim](#).

Where can I get legal advice?

Scottish Courts and Tribunals Service staff are not legally qualified and therefore cannot provide you with any legal advice. If you do need legal advice, the Law Society of Scotland can provide contact details for solicitors in your area. See the [Law Society of Scotland](#) website for further information.

Please Note: The information above cannot cover every situation which might arise in the course of a claim. You should also note that this information is not the authority upon which the procedure is based. The formal authority is contained in the [rules](#).

For further information visit the following website:

<https://www.scotcourts.gov.uk/taking-action/small-claims>

This policy was adopted at a meeting of:

_____ on _____
Name of the ELC Setting *Date*

Signed: Designation:
.....

This policy should be reviewed annually and re-adopted/amended by new management committees.

Review completed
(date).....
...

Signed: Designation:
.....

Review completed
(date).....
...

Signed: Designation:
.....

Review completed
(date).....
...

Signed: Designation:
.....

Review completed
(date).....
...

Sample Letter 1: Reminder fees

Reference

Date

Name

Address

Dear

Non payment of fees

I have noticed from our records that we have not received payment of fees for the past weeks. The fees now amount to £..... Please make sure this balance is paid by.....

If you are having difficulties paying fees, please contact me within a week from receipt of this letter to enable us to discuss this matter, so that we can work towards a prompt resolution. I can assure you that our discussion will be treated in utmost confidence.

Yours sincerely

Name

Designation

Sample Letter 2: Send two weeks after initial letter.

Reference

Date

Name

Address

Dear

Non payment of fees for i.e., optional extra, additional session, unfunded hours

I am sorry that you have not yet contacted me regarding your outstanding fees. As you are aware our group relies on parental fees to sustain the service and we cannot allow non-payment to continue indefinitely.

We can offer you the opportunity to pay the outstanding fees by instalments but must advise you that failure to pay the outstanding amount either in full or by instalments will leave the group with no alternative but to withdraw e.g.; your child's place (in relation to unfunded hours only) additional hours, optional extras

This is not a route that we would wish to take so please contact me within one week from receipt of this letter to discuss your fees. Failure to contact me will result in XXXX being withdrawn.

Yours sincerely

Name

Designation

Sample Letter 3: Send two weeks after second letter.

Reference

Date

Name

Address

Dear

Non payment of fees – withdrawal of service (*only in relation to unfunded hours*)

As I have had no contact from you I have no alternative but to withdraw your childcare and to advise you that as from Mondayinsert date
.....insert child's name will no longer be able to attend our group. Our staff have been advised accordingly.

I am very sorry that this decision has had to be made but your failure to contact me has left me with no alternative but to take this action.

Yours sincerely

Name

Designation

Sample Letter 4: Reinstatement of Service

Reference

Date

Name
Address

Dear

Non-Payment arrangements: **Fees Due: £.....**

Further to our conversation ofinsert date and group name is prepared to accept a payment arrangement on the following conditions:

- This arrangement is "Without Prejudice" to our right to enforce non-payment of the fees, as we see fit, and at any time during the arrangement.
- The full amount owed is £.....which can be paid in full through one payment or by installments as detailed below
.....
- To be paid by weekly installments of £.....and a final payment of £
..... commencing on (date)
- On any default of the conditions of this agreement, the agreement will cease and all amounts owed by you will be due immediately.

Yours sincerely

Name Designation
.....
.....

Please complete and return to.....

Name.....

I/we agree to pay the amount owed to.....(insert name of group)

In full by one payment **or** in installments as detailed above. Please delete as appropriate.

I/we accept the above conditions:

Signed:..... Date:.....