

FACT SHEET – INVOICING

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

To comply with the criteria of the agreement, the LA expects invoices and receipts to be clear, transparent and itemised. This allows parents / carers to see that they have received their government funding completely free of charge and understand any other fees incurred for additional hours, meals and extras.

Please view our [Charging Policy Guidance](#).

Statutory Guidance

The LA should work with providers to ensure their invoices and receipts are clear, transparent, and itemised allowing parents to see that they have received their child's government funding completely free of charge and understand fees paid for additional hours or services. Invoices and receipts should include the providers full details so that they can be identified as coming from a specific provider.

The provider cannot charge parents "top-up" fees (any difference between a provider's normal charge to parents and the government funding they receive from the local authority to deliver free places) or require parents / carers to pay a registration fee as a condition of taking up their child's government funded place.

Funding and Invoicing Facts

- The government funding for Early Education is intended to cover the cost to deliver 15 or 30 hours a week of free, high quality, flexible childcare.
- It is not intended to cover the cost of meals, additional hours or extras / consumables.
- A provider can charge for meals and snacks as part of a government funded session and they can also charge for extras / consumables, such as nappies or sun cream and for services such as trips and yoga. These charges **must** be voluntary for the parent / carer. Providers should ensure that these charges are clearly stated to parents / carers in writing so that it is clear they do not have to pay for these elements where they are unwilling or unable to do so. By providing this level of detail, it also ensures a clear and transparent offer is shared with parents / carers, giving them clear choice and removing any elements of doubt as to what they are required to pay for as part of any additional service purchased. By providing this greater level of detail, it reduces the risk of challenge by parents / carers to a providers offer.

- Where parents / carers are unable or unwilling to pay for meals and extras / consumables, providers who choose to offer government funded places are responsible for setting their own policy on how to respond, with options including waiving or reducing the cost of meals, snacks and other services or allowing parents / carers to supply their own meals or opt out of these activities. To avoid doubt and to aid clarity, providers should have this policy clearly included in their written fee information to ensure parents / carers are fully informed of the options where they choose not to take up voluntary charges. Providers need to consider how to respond to the options that may present in this circumstance: -
 - Unwilling or unable to pay for voluntary consumable charges linked to funded hours.
 - Unwilling or unable to pay for additional hours / services offered outside of funded hours, e.g., where funded hours form part of a larger session including unfunded hours and services.
 - Unwilling or unable to pay for voluntary consumable charges linked to funded hours, however they wish to take up the paid elements of a longer session.
- To ensure that your offer is clear and transparent, it is advisable that the number and types of meals and snacks received as part of a funded offer are stipulated in writing as part of the fee information. Any voluntary consumable charge needs to be broken down into each specific item, as providers must be able to evidence and justify what it is they are charging parents / carers for. Consumables included and charged for must be reasonable and are expected to be for the use of the child. Providers must ensure they include items that are directly linked to the usage of the child and should not include any items that are a standard requirement which are used for all children regardless of a funded or charged place, e.g. utility costs or Personal Protective Equipment for example.
- Additional hours that are not government funded should be agreed by the parent / carer (and setting) and charged as part of their private parent contract / agreement.
- These charges must be clearly explained so that a parent / carer understands which hours / sessions can be taken as government funded provision and make an informed decision about their childcare arrangements.
- Providers need to explain to parents / carers that their rate for additional hours may differ from the government funded rate set by the LA.
- To aid clarity and support any local admissions criteria set by a provider, it is recommended that the number of funded only places are stipulated in writing. This may link to a provider's policy on how to respond where a parent / carer is unwilling or unable to pay for additional services.

Invoice good practice guidance

- Invoices should be issued to charge families for all the hours and services received.
- Invoices must be clear, transparent, and itemised, allowing a parent / carer to see that they have received their child's government funding completely free of charge and understand fees paid for anything extra.

- Invoice amounts should match the charges shown on the provider's fee information sheet.
- It is good practice that invoices are in a typed format.
- Invoices should be issued in a timely manner, and ideally in advance of services being received.
- Parents / carers must be aware when invoices must be paid, the method of payment and consequence of delay or non-payment.
- Receipts should be issued as evidence that a payment has been received.
- If you operate the stretched offer, but have been closed (e.g. bank holidays), the invoice should show a reduction for this closure or if an additional session is offered on another day.
- An invoice is not required if additional hours, meals and extras are not purchased.
- Invoices should show the provider's contact details, including their name and address.

The LA will not intervene where parents / carers choose to purchase additional hours of provision or additional services, providing that this does not affect the parents / carers' ability to take up their child's government funded place.

Invoice Layout


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
- The business name, address and any other contact details
- The name and address of the parent / carer being invoiced
- The Child's name
- The Period (Autumn, Spring or Summer), the month, week or hours the childcare relates to, depending on your invoice structure – we recommend you include the child's offer e.g. Universal 15
- Distinct private and funded hours with overall total in contracted invoice period
- A clear description of what you are charging for
- Clear and transparent calculations of the charges

- Clearly show any applicable discounts e.g., sibling discounts
- Ideally software should be able to detail charges, but if it is not compatible with doing this, a separate explanation of charges should be provided with each invoice.

Invoice Examples – Good Practice

Parents / carers will expect a clear and transparent invoice. During our compliance visits we will request copies of your invoices to ensure you are administering government funded hours correctly. Government funded hours must be displayed as completely free. You must itemise additional hours, meals, services and consumables so parents / carers can see what they are being charged for and / or link it back to their signed Private Parental Agreement that clearly explains charges for extras. These should be communicated to and agreed by the parents in advance of the charges to avoid any surprises if charges are increased.


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| EXAMPLE 1) <u>Invoice – Summer Period – 15 hour Universal Offer (570 hours per year)</u> | |  |
| Nursery Name: | Invoice Number: | |
| Nursery Address: | Invoice Date: | |
| Nursery Contact: | Nursery Tel / Email: | |
| To: Parent Name & Contact Details: | Child's Name: | |
| Total Number of Hours Attended | | 250 |
| Total Number of Funded Hours Claimed | | <u>180 / £0.00</u> |
| Total Number of hours due to be paid (250-180) | | 70 |
| Calculation - total Hours to be paid 70 @ £4.00 per hour | | |
| TOTAL PAYMENT DUE | | £280.00 |

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| EXAMPLE 2) <u>Weekly Invoice</u> | |  |
| Nursery Name: | Invoice Number: | |
| Nursery Address: | Invoice Date: | |
| Nursery Contact: | | |
| To: Parent Name & Contact Details : | | |
| Child's Name: | | |
| Childcare w/c 12th April 2021 – Summer Period – 15 hour Universal Offer (570 hours per year) | | |
| Mon: 9am – 3pm 6 hours funded | | £0.00 |
| Tue: 9am - 12pm 3 hours funded | | £0.00 |
| Wed: 9am – 3pm 6 hours funded | | £0.00 |

| | |
|--------------------------------------|---------------|
| Thu: 12pm – 3pm £5 per hour (£5 x 3) | £15.00 |
| Additional Services/extras | |
| Lunch Mon & Wed £2 per meal (£2 x 2) | <u>£4.00</u> |
| TO PAY: | £19.00 |

EXAMPLE 3) Child A (Complex monthly scenario for a child requiring additional hours & extras)

- Total monthly hours (June 2021) child attends - 117
- Child attends 9 hour sessions (Wed – Fri 8am – 5pm) total 117 hours (13 days)
- FEEE Hours 96.63 and Additional hours 20.37
- Nursery charges £5 per day for meals
- Nursery charges £1.50 per day for additional extras which include yoga, forest school and cooking. During additional sessions meals/snacks are charged.

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|--|-------------------------------|--|
| <u>June 2021 Invoice</u> | <u>Invoice Number:</u> |  |
| Nursery Name: Nursery Address: Nursery Contact, Tel & Email: To: Parent Name & Contact Details: Child's Name: | | |
| <p>This invoice has been produced in line with the Terms and Conditions stated within your signed Parental Statement of Undertaking (PSOU) and your private contract/charging policy.</p> | | |
| <p><u>Childcare June 2021- Summer Period</u> Government Funding (30 hour extended offer) 1140 hours per year Stretched offer - 1140 / 51 weeks = 22.3 hours per week.</p> | | |
| Total hours in June (13 days): | 117 hrs | |
| Total Government Funded Hours | 96.63 | £0.00 |
| Total additional hours: 20.37 additional hours at £5 per hour (£5 x 20.37) | | £101.85 |
| Total number of meals: 13 daily meal charge @ £5 each (13 x £5) | 13 | |
| 13 x Extras – £1.50 per session (13 x £1.50) | 13 | £65.00 |
| | | <u>£19.50</u> |
| TOTAL DUE | | £186.35 |

EXAMPLE 4) Spring Period 2021 Invoice

Invoice Number:

Nursery Name:

Nursery Address:

Nursery Contact, Tel & Email:

To: Parent Name & Contact Details:

Child's Name:

This invoice has been produced in line with the Terms and Conditions stated within your signed Parental Statement of Undertaking (PSOU) and your private contract/charging policy.



Childcare Spring 2021 – Term Time Only - 15 hours 2 Year Old Offer (570 hours per year)

Spring Period – 11 Weeks Half-Term – 15-19 Feb

Sessions:

Monday 8am – 1pm (5 Hours)

Thursday 1pm – 6pm (5 Hours)

Friday 8am – 1pm (5 Hours)

Government Funded Hours (15hrs x 11 weeks) = 165 hours

£0.00

Extras:

Extras charged at £11 per week (Sports Stars, Cooking and Yoga)

£121.00

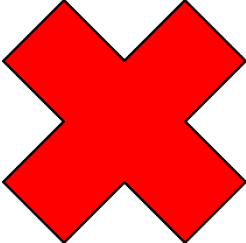
£11 x 11

TOTAL CHARGES

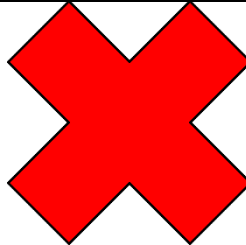
£121.00

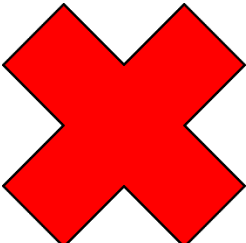
Invoice Examples - Bad Practice

You must not charge 'top-up' fees. Government funding is not subsidised childcare. All government funded hours should be completely free. Therefore, the invoice below is not acceptable as it deducts the funding from the total cost of childcare. Calculations and type of offer are also not included etc.

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| EXAMPLE 5) <u>Weekly Invoice</u> Invoice Number: Invoice Date: Nursery Name: Nursery Address: Nursery Contact, Tel & Email: To: Parent Name & Contact Details : Child's Name: |  |
| Childcare w/c 12th April 2021 (Spring period) Child attends nursery 3 days at £50 Minus Government Funding 6 hours x 3 days = 18 hours x £4.15 per hour TOTAL COST | £150.00 <u>£74.70</u> £75.30 |

Additional hours and any extras such as meals, trips or consumables should be itemised or linked back to a signed private parental agreement (please refer to example 3&4). The invoices below are unclear as parents / carers can't identify what they are paying for and / or they are not linked back to a signed private parental agreement.

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|---|---|
| EXAMPLE 6) <u>Weekly Invoice</u> Invoice Number: Invoice Date: Nursery Name: Nursery Address: Nursery Contact, Tel & Email: To: Parent Name & Contact Details : Child's Name: |  |
| Childcare w/c 12th April 2021 Child attended nursery 25 hours Government Funded Hours & charged hours Extras TOTAL COST | £125.00 <u>£28.50</u> £153.50 |

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| EXAMPLE 7) <u>April Monthly Invoice</u> Invoice Number: Invoice Date: Nursery Name: Nursery Address: Nursery Contact, Tel & Email: To: Parent Name & Contact Details : Child's Name: Session Date Description |  |
|---|---|

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|--|------------|----------------|
| 01/04/202 | 1 Full Day | |
| 06/04/202 | 1 Full Day | |
| 08/04/202 | 1 Full Day | |
| 09/04/202 | 1 Full Day | |
| 13/04/202 | 1 Full Day | |
| 15/04/202 | 1 Full Day | |
| 16/04/202 | 1 Full Day | |
| 20/04/202 | 1 Full Day | |
| 22/04/202 | 1 Full Day | |
| 23/04/202 | 1 Full Day | |
| 27/04/202 | 1 Full Day | |
| 29/04/202 | 1 Full Day | |
| 30/04/202 | 1 Full Day | |
| Summer FEEE 22.3 (Universal) 98.20 hrs Grant | | |
| TOTAL AMOUNT | | £227.00 |

Compliance visits are being completed to ensure invoices are clear and transparent and that government funded places are being claimed for accurately.



Leicestershire County Council, Early Years Inclusion and Childcare Service
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For more FEEE information for Providers, please visit our [FEEE Guidance and Policies page](#)