

Glossary of Terms and Abbreviations

Acquisition (VAT)	The importation of goods purchased from another EU state (see Importation)
Assessment (VAT)	A demand to pay or a notice of repayment of under-declared or over-declared VAT
Asset register	A record of all assets and their details
Asset Management Plan/Premises Management Plan	An assessment of the condition, suitability and sufficiency of school premises to reflect the needs and priorities of the individual school; forms part of the School Development Plan
Audit (External)	The statutory investigation by auditors appointed by the Audit Commission for Local Authorities in England and Wales.
Audit (Internal)	The process of checking a school has procedures and processes in place to meet financial requirements and that it adheres to those procedures
Audit Trail	System or paper generated evidence showing how and by whom certain processes and functions were carried out.
Authorised signatories	Formal list of the school's employees who the Governors have agreed may sign cheques (with stated financial limits), authorise payments through payroll or make changes to payroll records.
AWPU	Age Weighted Pupil Unit; the significant factor in schools' individual budgets.
Backup	Keeping copies of data files and programs to enable the service to be continued or restored in the event of a breakdown
BACS	Bankers' Automated Clearance System
Benchmarking	Comparison of performance against other providers of similar services, particularly those recognised as adopting best practice.
Best Practice	The most effective and desirable method of carrying out a function or process derived from experience rather than theory.
Best Value	The achievement of value for money taking into account a combination of quality and price. Best Value is usually referenced by the 4C's:- Comparison, Challenge, Competition, Consultation
Business card	Debit card issued by the school's bankers.
Business supplies [VAT]	Supplies by someone or organisation acting in trade, profession or vocation; who is concerned with making taxable supplies to customers for a consideration.
Call-Off Contract	A contract made following a formal tendering process with one or more contractor(s), supplier(s) or service provider(s) for a defined range of works, goods or services covering terms and conditions (including price) which users "call-off" to meet their requirements
Capital expenditure	Spending on the acquisition, enhancement or replacement of buildings and the acquisition, renewal or replacement of plant, machinery and major items of equipment.
Chartered Institute of Public Finance and Accountancy (CIPFA)	The Accounting Body that defines accountancy policy in relation to the public sector.
Community school	A category of school defined by the School Standards and Framework Act 1998: The Council is responsible for staffing, ownership of land and buildings and admission arrangements.

Consideration (VAT)	This is anything received in return for the supply of goods or provision of services. There must be a direct link between the payment and the supply. Consideration can be monetary or non-monetary
Consistent Financial Reporting (CFR)	National framework of income and expenditure categorisation for financial reporting by schools.
Consortia	Groups of schools coming together to buy goods at more competitive prices than a single school could achieve.
Constitution	The rules and procedures of the Council.
Contract	A legally binding agreement made between two or more parties for the provision of works, goods or services.
Contract Procedure Rules	The part of the Council's Constitution relating to the letting of contracts
Contract Value	The total monetary value of a contract over its full duration (not annual value).
Corporate Procurement Team (CPT)	The CPT is part of the Resources Department and is responsible for supporting the Council in its procurement activity.
Creditor	An individual or organisation that the school owe money to for goods and services received.
Debtor	An individual or organisation that owes the school money for goods and services received.
Delegated funding	The school budget share allocated via the fair funding formula.
Delegation	The process whereby one body gives another authority to make decisions on a particular issue.
Department for Education (DfE)	The Central Government department responsible for Education and Children's Services
Devolved funding	Money allocated by the Council separate from the school budget share, to be spent only for the purpose specified by the Council. Year-end reporting may be required.
Direct Revenue Financing	The process of transferring income from revenue budgets to capital budgets to finance capital expenditure.
Education Resources Group	The body used for consultation between the Council and representatives of head teachers.
ESFA	Education, Skills and Funding Agency: an executive agency of the DfE with responsibility for the distribution of school funding resources to the local authorities
EU Notice	Notice posted in the Supplement to the Official Journal of the European Union (OJEU).
EU Threshold	The financial threshold at which EC public procurement directives must be applied if expected to be exceeded by the total value of the contract.
Exempt Income (VAT)	Income on a business supply on which VAT is not charged. The VAT incurred towards making this supply can only be recovered subject to the 5% de minimus limit (see partial exemption)
Fair Funding	The principles governing the financing of maintained schools.
Federated Governing Body	Collaboration between schools where one Governing Body manages the finances of more than one school.
Fidelity guarantee [Insurance]	Insurance protecting schools against the loss of money or property arising from dishonesty of school employees.
Finance/Resources Sub-Committee	A subgroup of the Governing Body

Financial Regulations	Part of the Council's Constitution, these are the rules governing the operation of the Council's finances, which include schools.
Foundation School	A category of school defined by the School Standards and Framework Act 1998: The Governing Body is responsible for staffing and admission arrangements. Ownership of land and buildings may be responsibility of either Governing Body or Trustees.
Framework Agreement	An arrangement under which a contracting authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into, or "called-off" (within the limits of the agreement) when particular needs arise.
Importation (VAT)	This is the purchase of goods and services from outside the EU.
Individual Schools Budget (ISB)	The schools' delegated budget
Input tax [VAT]	Value Added Tax which the school has to pay on goods and services it buys from suppliers.
Internal controls	An arrangement under which a contracting authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into, or "called-off" (within the limits of the agreement) when particular needs arise
International Financial Reporting Standard (IFRS)	A set of accounting standards that govern how particular types of transactions and events should be reported in financial statements.
Inventory	Also called Asset Register. A record of all assets and their details.
Invitation to Tender	An invitation to suppliers or service providers to bid for the provision of works, goods or services.
Leasing	A way of procuring goods without the up-front investment. The only type of leases allowed are operating leases, where the goods have to be returned at the end of the leasing period.
Non-business supplies [VAT]	Supplies which the Council provides, which are governed by a special legal regime (which does not apply to the public sector) and which are not in competition with the public sector engaging in similar activities.
OJEU	Official Journal of the European Union
On-line Payment System	Systems like ParentPay that allow schools to collect income for school meals, trips, uniform etc on-line and so reduce the amount of cash and cheques being managed on the school premises
Output tax [VAT]	Value Added Tax which the school has to charge on certain goods and services it supplies to others.
Private Finance Initiative (PFI)	A form of Public/Private Partnership (PPP), whereby private firms build and maintain schools for the Council's use.
Procurement	The process of acquiring goods, works and services. The process spans the whole cycle from identification of need through to the end of the service contract or the end of the useful life of the asset.
Profiling	Involves estimating the pattern of expenditure and income which will occur during the year and subsequently comparing this estimate to the school pattern of expenditure and income, period by period, to gain early warning of items potentially over or under budget
Pupil Premium	Funding that targets pupils from the most deprived backgrounds to help them achieve their full potential
Purchasing Card	A credit card that allows for the purchase of goods and services with immediate payment

Register of business interests	A record of the Governors and staff's financial interests outside the school, which might possibly conflict, with the school's interests
Request for Quotation	A formal written invitation to at least 3 suppliers to provide written quotations for goods, services or works on the Council's standard terms for requirements between £5,000 and £50,000.
RM Finance	Commercially produced software package which is used by schools to record their financial transactions
Rolling Credit Agreement (RCA)	A scheme for schools in deficit arranged by the authority to prevent an overdrawn bank position. Interest is chargeable for this facility
S33 (VAT)	This is a section of the VAT Act 1994 which applies specifically to public bodies
SAP	The Council's financial information system. Stands for "Systeme, Anwendungen, Produkte in den Datenverarbeitung" or "Systems, Applications and Products in data processing".
Scheme of Delegation	A record of the tasks and responsibilities within a school which are passed from the Governing Body to the Headteacher and from the Headteacher to the staff.
School Improvement Plan	The overall statement of the school's aims and objectives. All activities, purchases, sales and other procedures must fit within the financial and other aims of this plan.
Schools Financial Value Standard	Annual return completed by schools and submitted to the LA to give assurance that schools have secure financial management in place
Separation of Duties	Allocation of specific tasks to separate individuals to reduce the risk of error or fraud.
SIMS FMS	Commercially produced software package which is used by schools to record their financial transactions.
Specification	A description of requirements and standards to which the goods, work or services should conform.
Supply (VAT)	A consensual arrangement involving the provision of something in return for consideration
Taxable Supply	A supply of goods or services made for a consideration. It includes any supply in the UK other than Exempt Supplies. That is, any supply which is subject to VAT at the standard, reduced (lower) or zero rate.
Tax/VAT Invoice	A specified document which must be held to support and validate input tax recovery
Tax Point	The date when VAT has to be accounted for. For goods this is usually when the goods are sent to or taken away by the customer or for services, this is usually when the service is performed
Tax Period	A regular period (usually 1 month for LBE) for which VAT is declared to HMRC
Virement	Formal process of agreeing to reallocate part of the budget from one heading to another within a fixed overall total.
Voluntary Aided School	A category of school defined by the School Standards and Framework Act 1998: The Governing Body is responsible for staffing and admission arrangements. Ownership of land and buildings may be responsibility of the Governing Body or Trustees.
Written Quotation	Must be in letter or email and must be addressed personally, containing pricing information and delivery details for requirements between £1,000 and £5,000.