

<p>CHAPTER 25</p> <p>Glossary</p>	<p>Chapter: 25.0</p> <p>Page: 1 of 7</p> <p>Date: April 2013</p>
---	---

25.0 **GLOSSARY OF ACRONYMS AND TERMS**

- AnyComms - Software that is used for the secure transfer of pupil and financial data to and from the County Council and schools.
- Application Software - Computer program(s) designed to carry out a particular function, i.e. word processing.
- Approved List - A list of approved potential contractors, suppliers or service providers to the County Council who have met pre-set criteria.
- Asset 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 Trail - System or paper generated evidence showing how and by whom certain processes and functions were carried out.
- 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.
- BAFS - Bank Accounts for Schools.
- Balances Control scheme - The DfE will challenge any local authority where 5% or more of schools have had a surplus balance of 15% or more for 5 years. This scheme monitors this at a local level and challenges schools accordingly.
- 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
- Budget Cycle - Period during which the budget is updated, progressing through Draft Budget, Start Budget and finally, Revised Budget.
- Budget Management Policy - Policy that may be adopted by Governing Bodies to establish the procedures for administering the school's budget and delegating responsibilities to individual members of staff.

SCHOOLS FINANCE MANUAL

CHAPTER 25 Glossary	Chapter: 25.0 Page: 2 of 7 Date: April 2013
--------------------------------------	--

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	- Expenditure on the acquisition, creation or enhancement of fixed assets.
Capital Maintenance Scheme	- The Council's annual priorities for capital work in schools given available resources.
CD-CS or CD-CYPS	- Corporate Director – Children and Young People's Service.
CD-SR	- Corporate Director – Strategic Resources.
CIS	- Construction Industry Scheme which requires Local Authorities to account for payments made to contractors in the construction industry.
Commitment Accounting	- Recording commitments, i.e. orders issued, as well as actual expenditure so as to see the complete picture of how much of the budget is "spent".
Competitive Tendering	- Awarding of contracts by a process of seeking competing bids from more than one firm.
Computer Virus	- A self-replicating computer program which locates itself on a computer disk and which may result in loss of data or even the total system.
Consistent Financial Reporting (CFR)	- National framework of income and expenditure categorisation for financial reporting by schools.
Construction Operations	- Almost anything that is done to a permanent or temporary building or structure, including site preparation, construction, alteration, repair, dismantling and demolition.
Contract	- A legally binding agreement made between two or more parties for the provision of works, goods or services.
Contractor	- An organisation or individual who has made a contract to undertake works, supply goods or provide services.
Contract Procedure Rules	- The rules outlined in the LMS Procedure Rules explaining how schools should conduct themselves in contractual matters.
Contract Value	- The total monetary value of a contract over its full duration (not annual value).
Creditor	- An individual or organisation that you owe money to for goods and services received.
Debtor	- An individual or organisation that owes you money for goods and services received.
Dedicated Schools Grant	- A ring-fenced grant received by local authorities from the EFA to fund schools.

<p>CHAPTER 25</p> <p>Glossary</p>	<p>Chapter: 25.0</p> <p>Page: 3 of 7</p> <p>Date: April 2013</p>
---	---

- | | |
|---------------------------|---|
| Delegated Budget | - That part of the Education budget that the Governing Body manages under LMS. |
| Delegation | - The process whereby one body gives another authority to make decisions on a particular issue. |
| DfE | - Department for Education |
| Direct Revenue Financing | - The process of transferring income from revenue budgets to capital budgets to finance capital expenditure. |
| Draft Budget | - Budget produced as a first assessment of income and expenditure in the following financial year, based on current price levels. |
| EFA | - Education Funding Agency: an executive agency of the DfE with responsibility for the distribution of school funding resources to LAs and the direct funding of academies, Free Schools and all 16-19 provision. |
| Factoring Company | - Firm that “buys” the income due to a trader at a discount and then attempts to collect all sums due. |
| Federation | - Where two or more schools work together under a single governing body. |
| Fair Funding | - The framework which previously defined the extent to which funding & responsibility was to be delegated to individual schools. |
| Financial Procedure Rules | - The rules outlined in the LMS Procedure Rules explaining how schools should conduct themselves in financial matters. |
| Forecasting | - Extrapolating from the latest information available for the current year as well as providing indications of the financial position for future years. |
| Foundation School | - Type of school run by the LA but with more freedom than community schools to manage their school and decide on their admissions. The school’s land and buildings are either owned by the governing body or by a charitable foundation. |
| 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. |
| Funding Formula | - The LA’s formula for allocating funding to schools. |
| Input tax | - Value Added Tax which the school has to pay on goods and services it buys from suppliers. |
| Internal Control | - The whole system of controls, financial and otherwise, which is established by the school’s management in order to work in an orderly and efficient manner, ensure adherence to management policies, safeguard assets and secure as far as possible the completeness and accuracy of records. |

SCHOOLS FINANCE MANUAL

CHAPTER 25 Glossary	Chapter: 25.0 Page: 4 of 7 Date: April 2013
--------------------------------------	--

Inventory	- Detailed list of valuable items of furniture and equipment held on the premises.
Invitation to Tender	- An invitation to suppliers or service providers to bid for the provision of works, goods or services.
Invoice Payment Terms	- Specified terms of payment agreed between the supplier and purchaser.
LA	- Local Authority
Leasing Agreement	- A contract for provision of finance to enable supplies or services to be obtained and where ownership in any such supply does not automatically pass to the Council/school at the end of the contract.
Letting	- The hiring of part of the school premises by a club or other group under an ad hoc licence agreement.
LMS Scheme	- The Local Management for Schools (LMS) Scheme sets out the financial relationship between the Council and the maintained schools it funds.
Member	- Elected member of the Council
MFG	- Minimum Funding Guarantee: the minimum per pupil increase in a school's budget over the per pupil budget for the previous year.
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.
Operating System	- The software which controls the operation of the computer hardware, without which the application software will not work.
ORACLE Financials	- The LA's financial information system. Schools' financial systems must be reconciled with the information held in Oracle Financials.
Output Tax	- Value Added Tax which the school has to charge on certain goods and services it supplies to others.
Outturn Prices	- Price Base which takes into account inflation which is expected to occur between the current date and the end of the financial year so as to produce a budget which is realistic in cash terms.
Petty Cash	- Small float of cash used to pay for certain goods and services where cheque payment is inappropriate or not acceptable and, or the item is required urgently, i.e. an electric plug.
Post Tender Negotiations (PTN)	- Negotiations with suppliers to obtain a lower quotation for the same goods or services, or more supplies for the same price or goods and services to a lower (but adequate) specification for a lower price; such negotiations must be carried out in a prescribed manner.

<p>CHAPTER 25</p> <p>Glossary</p>	<p>Chapter: 25.0</p> <p>Page: 5 of 7</p> <p>Date: April 2013</p>
---	---

Pre-Qualification Questionnaire	- A questionnaire completed by companies that wish to be considered for a procurement activity or placed on an approved list. Its purpose is to assess the company's general suitability in terms of financial and economic standing, including technical capabilities, quality assurance, health and safety etc.
Preferred Supplier List	- A list of organisations preferred by the Council to undertake certain works, supplies or services, following a competitive tendering exercise.
Price Base	- Rules used to take account of inflation when producing a budget, typical approaches being current prices (ie ignoring future inflation) or outturn prices (ie including future inflation).
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.
Project Proposal Form	- Form to be completed by school when undertaking any capital work in order to keep the LA informed for strategic planning reasons.
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 and no requirement for official orders or invoice processing.
PVI	- Private, voluntary and independent sector
Quotation	- A written or verbal price given by contractor, supplier or service provider following a request.
Recoupment	- The term used to describe the funding arrangements between LAs in relation to the provision of SEN support for pupils.
Revised Budget	- Budget, using the Starting Budget as a base, as a revised assessment of income and expenditure in the current financial year, having regard to the latest information, i.e. pupil numbers, pay awards etc.
Risk	- The probability of a foreseeable event such as inflation or legislative change occurring during the lifetime of a contract and its subsequent impact.
RM Finance	- Commercially produced software package which is used by most schools to record their financial transactions.

<p>CHAPTER 25</p> <p>Glossary</p>	<p>Chapter: 25.0</p> <p>Page: 6 of 7</p> <p>Date: April 2013</p>
---	---

Scheme of Delegation	- Plan formally approved by the Governing Body to delegate day to day responsibility for particular matters to the occupants of specific posts, i.e. the Headteacher.
School Census	- Collection of key pupil and school data to inform both national and local planning and funding arrangements.
School Development Plan	- Plan setting out the aims and objectives of the school in the medium term with details of priorities set and action to be taken.
School Private Funds	- Monies held by schools which do not form part of the official monies belonging to the County Council.
Schools Financial Value Standard (SFVS)	- Replaced FMSiS to give assurance that schools have secure financial management in place.
Schools Forum	- Consultative body made up of headteachers, governors and other interested parties that have a role in the local distribution of school funding.
Section 251	- The term used to describe the budget and outturn information on schools and LA Children's Services budgets and expenditure. Annual statements are produced by LAs.
SEN	- Special Educational Needs
Separation of Duties	- Allocation of specific tasks to separate individuals to reduce the risk of error or fraud.
Sort Code	- Code used to identify a particular branch of a bank at which an account is held.
Specification	- A description of requirements and standards to which the goods, work or services should conform.
Sub-contracting	- The process where a contractor appoints another contractor to carry out part of the work but under an arrangement where the original contractor retains liability.
Supplier Appraisal	- Establishing the ability of the supplier to meet the contract standards on delivery times, quality of goods or services, price and after-sales service.
Start Budget	- Budget produced before the start of the financial year in question based on the known allocation of resources to the school and including forecast inflation through to the end of the financial year.
Stopped Cheque	- Cheque on which payment has been countermanded by the account holder.
Tax Exemption Certificate	- Certificate held by a sub-contractor (i.e. a builder) which entitles him to be paid without the deduction of income tax.
Tax Point	- The event occurring first in a process involving making a supply, issuing an invoice or receiving a payment.
Taxable Turnover	- The total of "vatable" income, including zero-rated items.
Traded Services	- Services offered by the LA to schools on a buy-back basis.

SCHOOLS FINANCE MANUAL

CHAPTER 25 Glossary	Chapter: 25.0 Page: 7 of 7 Date: April 2013
--------------------------------------	--

- | | |
|------------------------------|--|
| Voluntary Aided Schools | - Schools with a foundation which appoints most of the governors. The governing body is the admission authority and employs the staff. |
| Voluntary Controlled Schools | - Schools with a foundation which appoints some of the governors. The LA is the admission authority and employs the staff. |
| Veritau | - The LA controlled company established by the Council and the City of York Council to provide internal audit and information governance services. |
| Virement | - Formal process of agreeing to reallocate part of the budget from one heading to another within a fixed overall total. |
| Whole Life Costs | - The systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset. |