

Glossary of Frequently Used Financial Terms

1. Account Code

This is a 4 digit numerical code for an Income or Cost item.

For example: 1500 Miscellaneous Income

4655 Miscellaneous Expenditure

A complete List of account codes is available on the UCC [Chart of Accounts, also see chart of accounts description below](#)

2. Accounting Period

The Accounting period is the period for which accounting books of an entity are prepared. It is the period for which books are balanced and the financial statements are prepared. Generally, the accounting period consists of 12 months. UCC accounting period is the twelve months from 1 September to 30 September.

Accounting Period can also relate to a month or months within the Financial Year. In Agresso, the Accounting period is coded and is written as: YYYYPP

e.g. October 2011 is 201200 (YYYY being the year of the Year end 2012, PP is period 00. October is also PP 01, but it is safer to put in period 00 to capture all costs in October)

June 2012 is 201209 (YYYY being 2012 and PP being period / month 09)

Note : Capital expenditure is reported differently and should not be run for period 00. Use the Reports in the Capital Folder on Agresso to review capital income and Expenditure

3. Accrual

This is a pending obligation to pay for goods or services that have been physically received from a Supplier and will be paid for in a later accounting period but the cost of the goods or services are to be recorded in the Accounts in the accounting period they were physically received.

4. Actuals

The “Actuals” on the Agresso Reports are figures that have actually been received or paid for by UCC. Income has been received and an actual posting has been put to a cost centre/ project. Payroll, Invoices, Expenses have been posted to a cost centre and paid for.

5. Activity Code - click on [Projects](#)

6. Appendix A (Proposal Submission Form)

This form must be completed at the proposal stage of a research project. It summarises the financial, budgetary and general information relating to a research proposal and must be signed by the individual Project Leader and the relevant Head of Department and College. It also records the overhead recoverable on each contract.

7. Appendix C (Contract Assessment Form)

This form must be completed when a research proposal has been accepted by a funding body in order to have a research account opened on Agresso. It summarises the financial, budgetary and general information relating to the contract and must be signed by the individual Project Leader and the relevant Head of Department and College. It also records the overhead recoverable on each contract.

8. Assets

Assets are economic resources, i.e. Anything tangible or intangible that is capable of being owned or controlled to produce value that can be converted into cash. Two major asset classes are tangible assets and intangible assets. Tangible assets include fixed assets such as buildings and equipment, cash, amounts owed from third parties. Intangible assets are nonphysical resources and rights that have a value to the firm because they give the firm some kind of advantage in the market place examples in UCC would include patents.

(Please refer to the Fixed Asset Policy for a description and treatment of Assets in UCC - [link](#)).

9. Awards

An award is an agreement between a sponsor and the University for support of research, teaching or professional training.

10. Audit

An audit of financial statements, is the verification of the financial statements of UCC with a view to express an audit opinion. The audit opinion is intended to provide reasonable assurance that the financial statements are presented fairly, in all material respects, and/or give a true and fair view in accordance with the financial reporting framework. The purpose of an audit is to enhance the degree of confidence of intended users in the financial statements

11. Balance carried forward

This is the net balance (Income less Expenditure) from a cost centre/project carried forward from one Financial Year to the next Financial Year.

12. Balance Sheet

A balance sheet is a financial statement that summarises a company's assets and liabilities at a specific point in time. These balance sheet segments give a reader of the accounts an idea as to what the company owns and owes.

13. Balance Sheet Account

The account codes used to code different types of Assets and Liabilities. Full list of codes is available in UCC's [Chart of Accounts](#). Balance Sheet accounts are in the range 5000 to 9999.

14. Bank Giro

This is an invoice, issued by UCC, advising students of the Fees Liability. If you make your payment by Bank Giro, you should retain the upper part of the Giro, in order to claim tax relief, where application.

15. Capital Expenditure

Outlay of money to acquire or improve assets such as land, buildings, machinery and equipment

16. Capitalisation

Recording of a cost as a fixed asset (written off as depreciation over several accounting periods) instead of an expense (charged off against earnings in one accounting period).

17. Capital Projects

Project accounts used by the University to account for all resources used for the development of a land improvement or building addition or renovation or purchase of capital equipment.

18. Capitation Fee

This fee is payable by all students and was €150 for the 2011-2012 Academic Year. It covers Membership of the Mardyke arena and Membership of the Union of Students in Ireland, among other costs.

19. Chart of Accounts

Full list of all Account Codes used by UCC in the preparation of its Financial Accounts & Statements.

20. Committed Funds

A portion of a Budget that has been set aside for future spending. It can also be used to describe funds that have already been used for expenditure, for e.g. an approved Purchase Order.

21. Confirmation of Attendance

Each year students are contacted by e-mail by the Fees Office, to confirm their attendance on-line, by the 28th of February. Once a student confirms their attendance, then UCC will claim their full Tuition Fee from the Government. If a student has withdrawn from their course on or before the 31st of January, then they should **not** confirm their attendance.

22. Contingencies

A financial amount added on to the Costing of a project for unforeseen expenditures.

23. Cost Centre

- The lowest level of the UCC Organisation where Income and Costs can be captured
- A 4 digit numerical code used for coding of Income & Expenditure for your level
- Cost Centres should be controlled by an individual person.
- Recurrent expenditure of €10,000 at least will be required before a cost centre is set up.
- Income and Budgets can be allocated at Cost centre level
- Projects are attached to Cost Centres

24. Credit

- A credit is a receipt to an account
- It is mainly a posting of Income or a credit note
- On the Agresso reports it will show in the Actuals column as a red, negative figure

25. Creditor

A **creditor** is a party (e.g. person, organisation, company, or government) to whom UCC owes money e.g. suppliers, Revenue, Banks

26. Debit

- A debit is a charge to an account
- It is mainly an expenditure posting of Invoices, Expenses, and/or Payroll.
- A debit on the Agresso Reports will be shown as a positive figure.

27. Debtors

A **debtor** is a party (e.g. person, organisation, company, or government) that owes UCC money e.g. HEA, funding agency, students,

28. Deficit

Budgetary deficit is the difference between all receipts and expenditure, both revenue and capital; financial shortage

29. Depreciation

Expense allowance made for wear and tear on an asset over its estimated useful life.

30. Direct Costs of Research

These are costs that can be directly associated with an individual research project. Examples include staff pay costs, consumables, equipment, travel expenses. Costs that cannot be directly associated with research projects such as heating, electricity, rent etc. are known as overheads.

31. Discipline

- A group of cost centres with a common manager – reflecting the organisational hierarchy of a particular academic area or administration unit.

- Disciplines will essentially replace department codes and groups of disciplines will be aligned to Schools.
- A discipline may only be set up where UMG agree to amend the organisational structure of a unit.
- Income and Budgets can be assigned at discipline level.
- As a discipline may be a single cost centre the €10,000 threshold should apply before set up is approved.
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32. Document Type

Code on Agresso report to indicate why type of transaction a posting was.

SA	Fixed Asset Sales
DO	DDSO Transactions
CS	Cash Receipts
PZ	Pa@roll Adjustment Journals
VT	VAT Control Account Journals
YR	Research Year End Postings
GL	General Ledger Transactions
MP	Manual Payment
JR	Reversing Journal (Acc/Prepay)
MG	Management General Ledger Transactions
RG	Research General Ledger Transactions
RP	Research - FTWA Pensions
IN	Invoice
OP	Purchase Order

33. Expenses

The payment of money to an employee or external party for costs incurred whilst away from UCC but on UCC business, for example: Travel Expenses to a conference abroad. Employee Expenses are non-taxable. Please refer to the Travel Policy.< insert link>

34. External Income

External Income is the receipt of Income from a third party. Any cheques or cash received into UCC from an External source is receipted as External Income. This would include income from students, e.g. sale of notes or photocopying. Income from staff, e.g. where staff pay out of their own pockets for a service or course (say).

35. Financial Year

A **financial year** is the period used for calculating the annual [financial statements](#) of the University. Financial years vary between businesses and countries but for all Irish Universities the financial year is 1 October to 30 September.

36. Financial reports/claims (research)

Most funding bodies require a cost statement report on a regular basis. The responsibility for the preparation of this report rests with the Office of Research Grants & Contracts. Before the report is issued it will be sent to the research project leader who should review it and confirm its accuracy/validity to the ORGC. Timesheets supporting the payroll costs claimed must be maintained by the Project Leader.

37. F45 form

This is the form sent to suppliers after PSWT has been taken this allows the supplier to claim the money back from Irish Revenue.

38. Fixed Asset

A Fixed Asset is a property, plant or equipment owned by UCC which cannot quickly be converted into cash. Its original purchase value may go up (appreciate) or go down (depreciate) in value. For a full explanation of the treatment of Fixed Assets in UCC, please go to the Fixed Asset Policy – [link](#).

39. Free Fees

Tuition Fees may be paid by the State in respect of full-time students who have been ordinarily resident in an EU/EEA/Swiss State for at least three of the five years preceding their entry to their 3rd level course, and who meet the criteria of the scheme. Eligibility under the scheme is determined at **date of entry** to the course.

40. GAAP

Generally accepted accounting principles are a common set of accounting principles, standards and procedures that companies use to compile their financial statements

41. General Ledger

The general ledger is a collection of the group of accounts that supports the value items shown in the Financial Statements. It is made up of Profit & Loss Statement and Balance Sheet.

42. General Ledger Account

The account codes used to code different types of Income and Expenditure, Assets and Liabilities. The accounts of the general ledger are the building blocks that produce the [financial reports](#) of UCC. Full list of codes is available in UCC's [Chart of Accounts](#).

43. Grant

A sum of money given by an organisation, e.g. a government or funding body, for a particular purpose.

44. HEA: [Higher Education Authority](#).

The Higher Education Authority is the statutory planning and development body for higher education and research in Ireland. The HEA has wide advisory powers throughout the whole of the third-level education sector. In addition it is the funding authority for the universities, institutes of technology and a number of designated higher education institutions

45. Honorarium

An honorarium is a voluntary amount paid for a service for which no fee is charged. Please see policy note on this

46. I.C.P.

Income Protection Plan. For further information contact Kathy O'Connell, Department of Human Resources Ext. 2674 or refer to the HR website @

47. Income

Income can be received by UCC by bank transfer, Cash or Cheques from [Internal](#) and [External](#) sources.

48. Internal Income

Internal Income is the transfer of UCC money from one cost centre to another cost centre. The transfer of money is done through a journal (processed by Management Accounting Office) and not physical money changes hands.

There are Internal UCC Services that a cost centre can avail of and the procurement of these services is to be processed through the Online Internal Ordering system on Agresso. Examples: Computer Purchases, AV Equipment Hire, Visitor Centre purchases. The system automatically processes the charge and receipt for all parties to a purchase.

49. Letter of Award

This is the document given to the student by their Local Authority, confirming that their grant has been awarded, and what category of grant they are entitled to. If the grant includes payment of fees, then this letter **must** be presented as soon as possible to the Fees Office, for invoicing purposes. Failure to present this letter, will lead to a delay in the refunding of fees, where applicable.

50. Liability

Liabilities are debts and obligations of the business. Example of Liabilities Accounts Payable, loans.

51. Maintenance

This is the payment made to a student, if eligible, as part of their grant, three times over the course of the College Year; usually in mid-October, January and April. Depending on the Local Authority, this payment is sent directly by cheque to UCC for collection by the student, or else lodged to the designated Bank Account of the student. The mount of maintenance will vary, based on the category of grant awarded to the student on their letter of award.

52. Month End

Month End is a Financial Term given to the period after a month in which the Finance Office processes all transactions to complete the accounts for the month that has passed. UCC's month end is 5 working days after the last day of the month. Examples of transactions processed during Month End are: Bank Reconciliations, Payroll posting, Account Analysis and corrections of errors, Journals.

53. Overheads (Indirect Costs)

The University provides the environment, including support services, in which staff can undertake research. The costs associated with this environment, i.e. the services of the Office of the Vice-President for Research, computing, energy, cleaning, insurance, space, minor works, post, grounds, Human Resources, Finance, Library, Security and the Secretary, must be funded. These costs paid from the University recurrent account should be recovered from the funding agency as overhead.

54. Payable

A financial item that is due to be paid – payment is due to a creditor

55. PAYE: Pay As You Earn

This is the amount of tax payable by employees to the Revenue Commissioners.

56. Pension

This term usually appears twice on your payslip. Please note that you are making just one pension contribution overall. Further information can be obtained from our Pension's office ext. 3449

57. Pension Levy (PRD)

This is a tax applied to all public sector employees who have an entitlement to an occupational public sector pension. For further information please refer to <http://www.finance.gov.ie/documents/guidelines/faqprdjul09.pdf>

58. Period

The month in question in the Financial Year. A 2 digit code is used :

Month	Period
	00 &
October	01
November	02
December	03
January	04
February	05
March	06
April	07
May	08
June	09
July	10
August	11
September	12

Note: Capital expenditure is reported differently and should not be run for period 00. Use the Reports in the Capital Folder on Agresso to review capital income and expenditure.

59. Personal Accident Insurance

This scheme is compulsory. It applies to all employees and provides cover for accidents **24 hours a day worldwide**. All medical expenses are recoverable.

60. Posting

Posting is the process of recording amounts as credits and amounts as debits in the general ledger on Agresso.

61. PPS Number - Personal Public Service Number.

The Personal Public Service Number (PPS No.) is an individual's unique reference number for all dealings with the Public Service, including social welfare, tax, education and health services eligibility

62. Principal Investigator

A **principal investigator (PI)** is the lead scientist or engineer for a particular well-defined science (or other research) project, such as a laboratory study or clinical trial. It is often used as a synonym for "head of the laboratory" or "research group leader", not just for a particular study

63. Projects

- It enables a budget holder to track specific income and expenditure within a cost centre
- A project is a six digit alpha numeric code that is aligned to a cost centre.
- Within Agresso, there are many project types and they all have their own specific coding structure:
 - NA – Departmental
 - AS**** - A department activity code which is specific to that cost centre only
 - AM**** - An activity code where more than one cost centre is aligned to the project. A university wide project would use the AM* code, e.g. Conferings
 - AW**** - A minor works project which is controlled by Buildings & Estates but is attached to the cost centre of the department having the work done.
 - AV***** - Certain Vatable projects
 - C***** - Capital Projects

- CM**** - Special Capital Projects
- R***** - Research Projects

64. P.R.S.I. : Pay Related Social Insurance

The PRSI contribution, normally payable by employer and employee, is a percentage of the employee's reckonable earnings.

65. PSWT Professional Services Withholding Tax (PSWT)

This applies to payments made by certain public bodies for professional services provided to them. These bodies are known as **accountable persons** for the purposes of the PSWT scheme.

(PSWT) is not an additional tax. It is a deduction on account, made at the point of payment, of the final liability of the person who provides the professional service. PSWT is deducted at the **standard rate** of income tax.

It should be noted that PSWT is deducted from the **total amount** of the payment for the professional service involved, **including**, in general, any amount in respect of expenses, outlay or third party costs, but excluding any VAT charged by the person providing the service. More information is available from the finance office website < link to tax> and www.revenue.ie

66. Purchase Order

A **purchase order (PO)** is a [commercial](#) document issued by a [buyer](#) to a [seller](#), indicating types, quantities, and agreed prices for products or services the seller will provide to the buyer. Sending a purchase order to a supplier constitutes a legal offer to buy products or services. Acceptance of a purchase order by a seller usually forms a one-off [contract](#) between the buyer and seller, so no contract exists until the purchase order is accepted

67. Purchasing Requisition

A Purchase Requisition is document generated by the Internal requisitioning system to notify the Budget owner the intent to purchase. It shows the order, the value and the time frame that will be given in the future. It may also contain the authorisation to proceed with the purchase.

68. RCT

RCT applies to payments made by a principal contractor to a subcontractor under a relevant contract (this is a contract to carry out, or supply labour for the performance of relevant operations in the [construction](#), [forestry](#) or [meat processing](#) industry).

RCT applies to both resident and non-resident contractors operating in the construction, forestry or meat processing industry. . More information is available from the finance office website < link to tax> and www.revenue.ie

69. Receivable

A financial gain item that is due to be received – income/credit note that is due from a debtor.

70. Research Account

The Office of Research Grants & Contracts will allocate a unique research account number to each research contract which will be e-mailed to the Project Leader once the account is opened. All income and expenditure relating to a research contract should be credited or charged to this unique research account. Research account numbers are allocated by the ORGC following signature of the research contract. Research account numbers will only be allocated when the University is in receipt of the funding agency's confirmation of the amount of funding receivable.

71. Student Contribution Fee

This fee was formerly known as the Registration Fee, and is payable by all students, unless you are in receipt of a Higher Education Grant from your Local Authority. This fee is set to be €2,250 for the 2012-2013 Academic Year

72. TCC - Tax Clearance Certificate

A Tax Clearance Certificate is a written confirmation from Revenue that a person's tax affairs are in order at the date of issue of the Certificate.

73. USC : Universal Social Charge

The Universal Social Charge is a tax payable on gross income. If you are a full medical card holder you are exempt from paying the higher rate of USC.

For further information please refer to www.revenue.ie

74. VAT: Value Added TAX.

A tax added to Goods & Services. There are a few different rates for different Goods & Services. Full list is available from www.revenue.ie and the finance office website < insert link to tax >

75. Vol. Life: Voluntary Life

For further information contact Kathy O'Connell, Department of Human Resources Ext. 2674 or see the Human Resources website <http://www.ucc.ie/en/hr/benefits/healthcare/>