

Belfast Education and Library Board



ASSISTED INSTRUMENT PURCHASE SCHEME

*Offering Musical Instruments to
Enrolled Students at the
City of Belfast School of Music*



**City of Belfast School of Music
Fortwilliam Park
Belfast BT15 4AR**

**Tel: 028 9077 2266
Fax: 028 9077 5656**

Email: cbsm.info@belb.co.uk

Assisted Instrument Purchase Scheme

What's it all about?

Changes in the 1994 VAT (Education) Order now enable pupils enrolled at the City of Belfast School of Music (BELB) to purchase musical instruments **free of VAT**. The procedure for this scheme has been approved by HM Customs & Excise and was reviewed in September 1995 by the VAT Office.

- All instruments offered are new from the Board's official supplier.
- A discount will also be included in the supplier's price.
- Advice is available on choice of instrument from your child's tutor, who must sign the form approving the suitability of the instrument, or in their absence the relevant Head of Department.
- The scheme is non profit making and offered by BELB as a service. However, a small charge of £15 will be levied on each transaction to cover the administrative costs involved.

To comply with HM Custom and Excise rules the following criteria must be satisfied:

- Students must be registered members of the City of Belfast School of Music (CBSM).
- The instrument must be appropriate to the student's needs and ability.
- The instrument must be portable.
- Ownership of the instrument must transfer from BELB to parents of CBSM students.

Application Procedure

Parent or Guardian:

- After establishing the make and model of the instrument take the application form, duly signed by the Instrumental Tutor, to one of our official suppliers, **Dawsons Music, 12 Balloo Avenue, Bangor BT19 7QT (028 9127 4886)** OR **Matchetts, 6 Wellington Place, Belfast BT1 6GE (028 9032 6695)** who will complete and authenticate the price section with a dealer stamp and signature.
- Post the application form and the total payment to the School of Music or you may call in person Monday to Friday between 9.30am and 4.00pm.
- For immediate ordering of the instrument payment should be by Building Society cheque, Bankers Draft or cash. Personal cheques take up to 10 days to clear.
- **All cheques should be made payable to: BELB and crossed "AIPS."**
- Application forms and membership number lists are held by the Head of Music Service at CBSM.
- Following receipt of the instrument by the CBSM, parents will be notified and arrangements made for its collection. The transfer will be completed when the Application Form is signed by the parent and a nominee on behalf of the BELB, when ownership of the goods will pass to the parent.
- Following transfer of the instrument, all guarantee rights pass to the parent and any subsequent inquiries should be directed to the official supplier.

Should you require any information regarding the Assisted Instrument Purchase Scheme please contact Mrs Rowena Eames at CBSM on 028 9077 2266

Application Procedure

Parent or Guardian:

1. Make choice of instrument by discussing with your child's tutor. Visit the Board's official supplier and ascertain the price of the instrument, including any carriage/handling charge, and excluding VAT.
2. Complete the application form and send it to the City of Belfast School of Music together with a Bankers draft or Building Society cheque to expedite ordering. Personal cheques take up to 10 days to clear. All cheques should be made payable to BELB. Cash will be accepted by personal callers Monday to Friday between the hours of 9.30am and 4.00pm.
3. Once payment has been cleared the Belfast Education and Library Board will order the instrument immediately.
4. When the School of Music has received the instrument, the parent will be informed of its availability and a handover date agreed.
5. On receipt of the instrument, a transaction document will be signed by the parent and a nominee on behalf of the BELB. Ownership of goods will then be transferred to the parent.
6. Following transfer of the instrument, all guarantee rights transfer to the parent and subsequent inquiries should be directed to the Board's official supplier.

How Does It Work?

Changes in the 1994 VAT (Education) Order now enable BELB pupils to purchase musical instruments free of VAT. The procedure for this scheme has been approved by HM Customs & Excise and was reviewed in September 1995 by the VAT Office.

- The instrument you need to purchase must be new.
- Advice is available on choice of instruments from your child's teacher or from the City of Belfast School of Music.

To comply with HM Custom and Excise rules the following criteria must be satisfied:-

- Students must be in receipt of music lessons from BELB Tutors
- Be a full-time student.
- The instrument must be appropriate to the student's needs and ability
- The instrument must be portable (e.g. you could not purchase a piano through this scheme).
- The Instrument must change hands on BELB premises.
- The scheme is non profit making and offered by the Belfast Education and Library Board as a service.

Assisted Instrument Purchase Scheme Application Form

Name of Parent/Guardian _____

Name of Student _____ School of Music Membership Number _____

Address _____

Daytime Telephone No. _____ Email. _____

School _____ Instrumental Tutor's Name _____

Instrument (Make/Model) _____
(use reverse for added detail)

Signature of tutor approving the Instrument _____

Official Suppliers: Dawsons Music, 12 Balloo Avenue, Bangor BT19 7QT (028) 9127 4886
Matchetts, 6 Wellington Place, Belfast BT1 6GE (028 9032 6695)

Price (exc. VAT)	£	.
Admin charge	£	15.00
Carriage charge	£	.
Total Amount due	£	.

Dealers Stamp	
_____ Signature	_____ Date

**Cheques, payable to BELB and crossed "AIPS", should be sent with this application to
City of Belfast School of Music, Fortwilliam Park, Belfast BT15 4AR.**

Payment: Building Society Cheque / Bank Draft / Cash / Personal Cheque		
Cheque No.		
Lodgement Number	Code	Date Lodged
Date Ordered	Date received	Invoice No.

Transfer of Instrument

**On completion of both signings ownership will pass from BELB to the named parent or guardian.
Any subsequent inquires regarding instrument guarantee should be directed to the official supplier.**

Transfer of Instrument took place at _____

Signature of parent/guardian _____ Date _____

Signature of BELB nominee _____ Date _____

Discussion of AIPS legality and eligibility...

The following is an extract of a letter from HM Customs and Excise to the Music Industries Association.

VAT: ASSISTED INSTRUMENT PURCHASE SCHEME (AIPS)

I would like to turn first to the question of why the scheme applies only to BELB maintained schools. Local authorities are refunded any VAT they incur in delivering their non-business statutory activities, including the provision of education. The object of this is to prevent VAT falling as a burden on local taxation.

Independent schools are not publicly funded bodies and, therefore, when such schools provide musical instruments to their pupils as part of a music course, they must either bear the VAT costs themselves, or pass it on to students in the price they charge for instruments. Nonetheless music courses provided by independent schools are free from VAT.

With regard to AIPS, many local authorities have introduced voluntary schemes under which they are prepared to subsidise the cost of musical instruments – AIPS being the umbrella term for such schemes. AIPS enables qualifying students to purchase musical instruments through their BELB music service or school (often at reduced prices and net of VAT) for use as part of the normal school curriculum.

The operation of AIPS varies according to the policies of the BELB involved, but the following basic conditions will apply in most cases.

- The BELB Music Service must place the order for the instrument and accept the delivery;
- The BELB Music Service must be invoiced – enabling them to recover the VAT;
- The transaction between the student and BELB Music Service must take place on BELB premises;
- The instrument must be appropriate to the student's needs and ability;
- The instrument must be portable and taken to BELB premises or school on a regular or weekly basis for use during lessons (from either the school or the local Authority's education department); and
- The BELB Music Service must sell the instrument to the student at or below cost.

Where local authority schools meet these criteria and are therefore able to obtain a VAT benefit, they may choose to reflect this benefit in the price they charge on to students for what are essentially items to be used in class. However, this is entirely up to the local authority concerned.

When a student receives regular tuition from the BELB's Music Service there is usually no requirement for him or her to be a student of one of the local authority's schools. If his/her local authority operates such a policy, this may enable students of independent schools to take advantage of musical instrument purchase under AIPS.

To summarise. It has always been a feature of the VAT system that local authorities can recover the VAT they incur on their non-business activities, including the provision of education. This explains why schools that are not publicly funded cannot be part of AIPS. However, although open only to BELB-maintained schools, AIPS itself is a purely voluntary scheme which different local authorities are free to operate in different ways.