

## Accounting Treatment for Land and Buildings:

**Note: In the case of fee charging schools, it is advised to obtain advice from your trustees and auditor before removing Land and Buildings from the Balance Sheet. The accounting treatment advised by the boards and trustees' auditor(s) will prevail.**

Land and Buildings - It is not necessary to include a value for land and buildings where they are not owned and controlled by the board of management.

Funds received/used regardless of source, for land and buildings are not reflected as fixed assets in the Balance Sheet of a school as set out in Section 15(3) Education Act – “For the avoidance of doubt, nothing in this Act shall confer or be deemed to confer on the board any right over or interest in the land and buildings of the school for which that board is responsible.”

Summer Works Schemes should also be treated in this format.

The accounting treatment is as follows:

		Dr	Cr
<b>Accounting treatment for Grants received from the Department for capital project</b>			
Income	Capital Building grant received from DE	1800 Current Account Current Asset	3900 DE Capital Building Grant Income Capital & Reserves
Payment	Capital Building spend	3940 DES Capital Building Grant spend Capital & Reserves	1800 Current Bank Account Current Asset
<b>Accounting treatment for Fundraising for capital project</b>			
Income	Income from Fundraising Committees for capital work on buildings	1800 Current Bank Account Current Asset	3901 Capital Building Fundraising Income Capital & Reserves
Payment	Spend of income from Fundraising Committees for capital work on buildings	3960 Capital Building Fund raising spend Capital & Reserves	1800 Current Bank Account Current Asset
<b>Accounting treatment for Parents Association fundraising for capital project</b>			
Income	Income from parents for capital work on buildings:	1800 Current Bank Account Current Asset	3902 Parents Contribution to Capital Projects Income Capital & Reserves
Payment	Spend of parent's	3970 Parents	1800 Current Bank

	contributions to capital work on buildings	contribution to Capital Building Expense <i>Capital &amp; Reserves</i>	Account <i>Current Asset</i>
<b>Accounting treatment for Patron/Trustee Contribution for capital project</b>			
Income	Income from Patron/Trustee for capital work on buildings	1800 Current Bank Account <i>Current Asset</i>	3903 Patron/Trustee Contribution to Fixed Asset Income <i>Capital &amp; Reserves</i>
Payment	Spend of Patron/Trustee's contributions to capital work on buildings	3990 Patron/Trustee Contribution to Capital Building Expense <i>Capital &amp; Reserves</i>	1800 Current Bank Account <i>Current Asset</i>
<b>Accounting treatment for grants/contributions received from other state bodies for capital project</b>			
Income	Income from Other State Body for capital work on buildings	1800 Current Bank Account <i>Current Asset</i>	3904 Other State Capital Income <i>Capital &amp; Reserves</i>
Payment	Spend of income from Other State Body for capital work on buildings	3991 Other State Capital Building Expense <i>Capital &amp; Reserves</i>	1800 Current Bank Account <i>Current Asset</i>

Once the capital building project is complete the income and expenditure should be transferred to the building account

**Example: Department of Education funded capital project**

Action	DR/CR	Nominal Code	Description
Transfer of Income from DE Capital Building Grant Income account To Building	DR	3900	DE Capital Building Grant Income <i>Capital &amp; Reserves</i>

Fund account upon completion of project	CR	3995	Building Fund Account Capital & Reserves
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Action	DR/CR	Nominal Code	Description
Transfer of DE Capital Building Grant Expenditure to Building Fund account upon completion of project	DR	3995	Building Fund Account Capital & Reserves
	CR	3940	DE Capital Building Grant Expense Current Asset