

## Accounting Treatment: Use of the Covid Minor works grant to purchase Capital Equipment

Under the Covid Minor Works grant, there is scope to spend monies on items of equipment that may be capital items. These capital items are treated as follows:

### When grant monies received:

Action	DR/CR	Nominal Code	Description
Grant Monies Received	DR	1800	Current Account 1 <a href="#">Current Asset</a>
	CR	2169	COVID Minor Works Grant Unspent <a href="#">Current Liability</a>

### When items purchased:

Action	DR/CR	Nominal Code	Description
Item Purchased	DR	1426	Capital: Covid Minor Works Fixtures, Fittings and Equipment Additions <a href="#">Fixed Asset</a>
	CR	1800	Current Account 1 <a href="#">Current Asset</a>

Action	DR/CR	Nominal Code	Description
Transfer of Grant to Capital Reserves	DR	2169	COVID Minor Works Grant Unspent <a href="#">Current Liability</a>
	CR	3905	COVID Minor Works Capital Grant Income <a href="#">Capital &amp; Reserves</a>

### Amortisation of grants

Action	DR/CR	Nominal Code	Description
Amortisation of grant	DR	3925	Accumulated Amortisation of Capital Equipment Income <a href="#">Capital &amp; Reserves</a>
	CR	3225	Amortisation of DE Equipment Grants <a href="#">Income</a>

### Depreciation of grants

Action	DR/CR	Nominal Code	Description
Depreciation of Equipment	DR	8020	Annual Depreciation: Fixtures, Fittings and Equipment <a href="#">Expenditure</a>
	CR	1436	Depreciation: Covid Minor Works Fixtures, Fittings and Equipment Current Year <a href="#">Fixed Asset</a>

**Note 1:** Grant spent should be amortised to the I&E over 5 years

**Note 2:** Depreciation Policy. Items depreciated over 5 years