

GRANTS RECEIVED FROM THE DEPARTMENT OF EDUCATION FOR A BUILDING PROJECT:

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.”

Capital funding can be applied for under the following categories:

- Major Projects – large scale projects being delivered under the school building programme
- Emergency Works – urgent works to schools that need resources as a result of an emergency situation or for alterations for inclusion of special needs pupil
- Summer Works – small-scale building works, improvements to school buildings ie windows replacement, roof repairs etc.
- Remediation Programmes – asbestos remediation programme and the mould management remediation programme

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.

Capital projects may last for a few months, for example works done under the summer works scheme or for a number of years, for example a new school building.

The accounting treatment is as follows:

Action	DR/CR	Nominal Code	Description
Capital Building grant received from DE	DR	1800	Current Bank Account Current Asset
	CR	3900	DE Capital Building Grant Income Capital & Reserves

Action	DR/CR	Nominal Code	Description
Capital Building DE grant spent	DR	3940	DE Capital Building Grant Expense Capital & Reserves
	CR	1800	Current Bank Account Current Asset

The year after the capital building project is complete the income and expenditure should be transferred to the building fund account.

Action	DR/CR	Nominal Code	Description
Transfer the contributions to the cost of the capital project to Building Fund	DR	3900	DE Capital Building Grant Income Current Asset
	CR	3995	Building Fund Account Capital & Reserves

Action	DR/CR	Nominal Code	Description
Transfer the cost of the capital building project to the Building Fund	DR	3995	Building Fund Account Capital & Reserves
	CR	3940	DE Capital Building Grant Expense Current Asset