

### Excess Funds being used for Capital Projects

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#### 1. Introduction

The board of management may decide that excess funds within their reserves can be allocated for a specific purpose. E.g. capital works.

As with any capital building project, patron or trustee approval would be required prior to commencement of works.

#### 2. Accounting Treatment

The expenditure can be recorded in the normal way and there is no requirement to adjust reserves balances.

##### 2.1 Example – Using excess funds for a building project.

Action	DR/CR	Nominal Code	Description
Excess funds being used for Capital Projects	DR	3960	Capital Land/Building Fundraising Expense Capital & Reserves
	CR	1800	Current Account 1 Current Asset

##### 2.2 Transfer to Land/Building Fund Account

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

Action	DR/CR	Nominal Code	Description
Transfer the cost of the capital building project to the Land/Building Fund Account	DR	3995	Land/Building Fund Account Capital & Reserves
	CR	3960	Capital Land/Building Fundraising Expense Capital & Reserves