

Other State Funding for a Land/Building Project

(Document last updated September 2023)

1. Introduction

Schools may be in receipt of other state funding for a land/building project. Such projects could include major construction/development projects, emergency works, additional accommodation, summer works or land purchase.

2. Accounting Treatment

Funds received/used for such projects 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.”

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.

The nominal codes to be used to account for the grant received, the expenditure of the grant and transfer of the income and expenditure to the land/building fund are set out below.

2.1. Grant income received

Action	DR/CR	Nominal Code	Description
Income from other state funding	DR	1800	Current Account 1 Current Asset
	CR	2171	Other Ringfenced Grants Unspent Current Liability

2.2. Expenditure

Action	DR/CR	Nominal Code	Description
Spend of other state funding for Capital Land/Building Expense	DR	3991	Other State Capital Land/Building Expense Capital & Reserves
	CR	1800	Current Account 1 Current Asset

Action	DR/CR	Nominal Code	Description
Transfer of other state funding income spent to Capital Reserves	DR	2171	Other Ringfenced Grants Unspent Current Liability
	CR	3904	Other State Capital Projects Income Capital & Reserves

2.3. Balances transfer to the Land/Building Fund Account

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

Action	DR/CR	Nominal Code	Description
Transfer the contributions to the cost of the capital project to Land/Building Fund	DR	3904	Other State Capital Projects Income Capital & Reserves
	CR	3995	Land/Building Fund Account Capital & Reserves

Action	DR/CR	Nominal Code	Description
Transfer the cost of the capital land/building project to the Land/Building Fund	DR	3995	Land/Building Fund Account Capital & Reserves
	CR	3991	Other State Capital Land/Building Expense Capital & Reserves

2.4 Account for the unspent income from other state funding

Income from other state funding is ring-fenced income and the balance unspent at the year-end must be reconciled and accounted for in nominal code 2171 Other Ringfenced Grants Unspent.